Business Quickens as Prices Rise

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

NEW ARTICLES ON WILLS AND ESTATES, THIS WEEK, PAGE 9

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The Nation's Business

Canada Must Cut Expenses to Insure Credit

Conversion Loan Must Be Success

Peterson Urges Control of Farms

Not Canada's Move

Insuring Success of Conversion Loan

THE Dominion government is hopeful of effecting a considerable saving in interest rates through its refunding operations this year. A huge conversion loan is planned. The government has already indicated that it will not force holders of any bonds not maturing to turn them in for bonds with a lower coupon rate. Any action other than this would constitute a default too serious in its effect on Canada's credit to be entertained for a moment. But a device for refunding bonds that have a few years yet to run may be found in a plan to offer new long term issues to the holders of such bonds, with extra interest talons to maintain their current interest rate until the time the bonds would have matured. All Canada wishes Mr. Bennett and Mr. Rhodes the greatest of success in their conversion financing. But two conditions among others must be satisfied before the operations can be a success.

* * *

IN THE first place the prevailing price for money must be reasonable. The government cannot hope to put across a large loan at a low rate of interest if it has to compete with securities offering higher rates of interest. Definite steps have been taken by the government to lower the money rate in this country. First, it obtained the cooperation of the banks when the rate on savings deposits was decreased from three per cent to 2½ per cent and it is possible that a further reduction to two per cent will be effected in the next few months if the banks and the government agree that it is necessary and desirable. Also, the government has lowered the rate for advances to the banks under the Finance Act from the recently prevailing rate of 3½ per cent to the new low level of 2½ per cent which should gradually work through the monetary structure of the country and have a favorable effect upon gilt-edged bond prices and upon general loaning rates.

* * *

OF EQUAL importance is the need to reassure investors as to the integrity and good faith of the Canadian government. Realizing this, Mr. Bennett has been very careful to make it clear that the government plans no programme of currency inflation in Canada except such as may be carried on safely following the lead of such countries as the United States and Great Britain, which are large creditor countries and whose actions must influence the policy of the smaller debtor countries like Canada.

* * *

AS A FACTOR in confidence, though, the financial operations of the government are just as important as its monetary operations. It is the belief of the present administration that the degree of budget balancing which they have achieved is sufficient to hold the confidence of investors here and abroad. But the essential truth is that the budget is not balanced and that so long as it is not balanced, and so long as desperate efforts to economize in the ordinary processes of government are not taken, Canadian credit cannot be said to be entirely established.

There would be no question at all of the ability of the Canadian government to borrow at the lowest possible rate if it could offer to investors in Canada and other countries an income and expenditure statement which showed an even balance on both sides of the ledger. But while we continue to pile up deficits, while we continue to consider the losses on the Canadian National Railways and the special expenditures on relief account as something properly chargeable to capital, we cannot make those with money to lend believe that we are fully seized of the importance of a sound financial structure as a basis for confidence and credit.

* * *

THERE are several months yet before the Dominion government has to go to the country with this loan. If it would regard the appropriations voted by Parliament as maxima for expenditures and effect such a wholesale slashing of costs as to make it certain that a fairly definite date could be fixed for the final balancing of the budget, the effect upon Canadian credit would be so salutary as to

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OTTAWA SEES WIDE EFFECT FRENCH PACT

Marks Proof Canada Retains Bargaining Power

HELPS OUTLOOK

22 Countries Affected Under Most Favored Nation Treaties — Pact Itself Not Important

From Our Own Correspondent

OTTAWA.—Disproving the fears that the Imperial trade treaties debarred satisfactory arrangements with foreign countries, the Franco-Canadian provisional trade agreement signed and ratified by Parliament this week marks the re-entry of this country into freer world commerce.

Since the denunciation of the old French Treaty on June 16, 1932, Canada has not possessed a favored nation trade treaty. Many persons believed that the increases in the intermediate tariff brought about by the Imperial agreements would render abortive any attempts that might be made to bargain with other countries. But in this new agreement, the Bennett Government offers to the world a most favored nation basis for trade. Automatically the French agreement extends to 22 other countries, affecting a vast amount of import and export trade.

Major Importance

Considered separately, as a treaty with France, the new agreement is not of major importance. In a nutshell, the new pact leaves Canadian exporters in as favorable a position as they were under the old French treaty. The Bennett Government does not contend that new and dazzling markets have been opened up by reason of the recent negotiations. But on Canada's side, these same advantages have been won at a much lower cost than formerly.

Under the old treaty, Canada gave to France special concessions on 31 commodities. These concessions consisted of fixed rates of duty which could not be varied without abrogating the treaty. Many textile items were among them and for the reason that the old French treaty, like the new, applied to most of the great foreign nations of the world — particularly to Japan and Italy—Canada became an unprotected market for foreign textiles. Under the new treaty these fixed rates of duty disappear. France does not receive a single concession that is not hinged securely upon our intermediate tariff; there is no treaty rate that cannot be raised or lowered with the intermediate tariff and without peril of violating the treaty.

Thus, the new agreement is the most important economic event since the Imperial Economic Conference of last summer.

Retains Bargaining Power

It may not mean very much in the way of reduced tariffs, but it does prove that Canada still retains power to bargain and that foreign countries do not regard the British treaties as an insurmountable stumbling block.

The new agreement applies at once to France, Belgium, Switzerland, Venezuela, Czechoslovakia, Finland, Colombia, Argentina, Denmark, Norway, Japan, Sweden, Hungary, Italy, Latvia, Lithuania, Portugal, Spain, the Netherlands and Roumania. With all these countries Canada has agreements providing for the interchange of most favored nation tariffs. But since June 16, 1932, Canada has not possessed a favored nation tariff.

The details of France's concessions to Canada, for this reason, do not require enumeration. In effect, Canadian exporters once more obtain substantially the preferences they possessed prior to the lapsing of the old treaty. Canada gets the French minimum tariff on 184 items and on a further 24 items France concedes a percentage reduction below her general tariff.

Concessions to France

In return, Canada gives a percentage below the intermediate tariff on 99 items and gives to France her intermediate tariff on practically the whole range of foreign trade. Since the Canadian intermediate tariff has gone up much

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Receivership Suggested For Winnipeg Electric And All Subsidiaries

Northwestern Power Bondholders Protective Committee Calls Meeting to Consider Proposal to Secure Complete Reorganization By Starting Bankruptcy Proceedings

HUGE SURPLUSES OF POWER CREATED

Twelve years ago citizens of Manitoba feared a power shortage; now there is a power glut so serious that the city of Winnipeg utility has had a serious loss of about $350,000 and the once strong Winnipeg Electric Co. cannot make good its guarantee on the bonds of subsidiaries created to develop power.

Northwestern Power Co.'s Bondholders Protective committee seeks to get power at a meeting called for June 2 to place Winnipeg Electric Co. in receivership with the object of causing holders of $40,394,826 in the following bonds and notes to organize so as to develop a plan which considers every interest affected, including junior securities:

Direct Obligations of Winnipeg Electric Co.	
5 per cent 1st refunding mortgage bonds due 1935	$5,000,000
5 per cent refunding stock or bonds due 1954	£ 900,000
6 per cent refunding mortgage bonds due 1954	$7,000,000
Notes payable to bankers, secured	$ 996,000
Bonds with Principal and Interest Guaranteed by Winnipeg Electric Co.	
Manitoba Power Co.	$12,500,000
Northwestern Power Co.	10,867,707
Suburban Rapid Transit Co.	500,000
Winnipeg, Selkirk & Lake Winnipeg Railway Co.	50,000
Others	97,119
	$24,014,826
Add: Parent company's bonds and notes	16,380,000
Total of bond issues	$40,394,826

The company also has outstanding $5,000,000 in seven per cent preferred stock and 244,472 shares of no par value common stock and it owns 90.3 per cent of 150,000 outstanding no par value common shares of Manitoba Power Co., all of the $1,000,000 in six per cent preferred stock and 88 per cent of the 250,000 no par value common shares of Northwestern Power Co.

Northwestern Power Co. bondholders, who would rank as unsecured creditors of Winnipeg Electric Co. under a receivership in bankruptcy, are nevertheless being told by bondholders protective committee, in effect, that satisfactory arrangements cannot be made under present conditions and that therefore it is best to get every real interest represented by authoritative bodies capable of entering into and abiding by agreements.

Winnipeg is Sole Large Market For Power

The whole situation turns on the fact that—with mining activity low while base metal prices are down and with Manitoba Paper company's Pine Falls mill shut up—Winnipeg is the one large market for power. That market's demand fluctuates with industrial and business activity but at present a considered estimated of demand would be about 230,000 horsepower minimum and 252,000 h.p. peak load. Winnipeg Electric system has installed power of 265,000 horsepower and the City of Winnipeg utility system of 126,000 h.p., or a total available of 391,000 horsepower. Thus there is installed 160,000 surplus horsepower beyond Winnipeg's needs.

Winnipeg Electric Co.'s available power consists in round numbers of Manitoba Power Co.'s installed power of 168,000 horsepower, Northwestern Power Co.'s present capacity of 60,000 horsepower, Winnipeg Electric's own 30,000 horsepower plant at Pinawa and Winnipeg steam plant of 12,000 horsepower. The actual total is stated to be about 265,000 horsepower which can be extended to development of 393,000 horsepower. The City of Winnipeg's development is 126,000 horsepower which can be developed to 198,000 horsepower. Thus there is an ultimate capacity in sight of 600,000 horsepower, and some years ago it was fully intended to go to this limit. But not now.

The only weapon of Northwestern Power Co.'s bondholders is the Winnipeg Electric Co.'s guarantee, and their committee advises that the bargaining position will be improved if committee is given power and discretion on bankruptcy proceedings.

Past Efforts Failed

Bondholders' Protective Committee of Northwestern Power Co., if backed by bondholders at a meeting called for June 2 in Montreal, proposes to apply for a receiving order in bankruptcy against Winnipeg Electric Co. as the only effective means of securing the organization of various security holders of the company and its subsidiaries. This organization is desired because the committee has come to the conclusion that it is in the interests of the whole enterprise to have a reorganization and capital readjustment.

Energetic attempts have been made to come to an understanding either with the city of Winnipeg to take over or lease the Northwestern Power Co. project or to get Winnipeg Electric Co. to grant adequate compensation to bondholders of Northwestern Power for giving a further extension of time for payment of interest under its guarantee.

Must Work on Plan

After setting forth the history of default and of the efforts made by the committee to secure an arrangement, the Bondholders' Protective Committee says:

"It is therefore recommended that the committee be authorized to take the necessary proceedings under the Bankruptcy Act, failing the taking of satisfactory steps to reorganize the company or otherwise deal with its undertaking; and that the committee be also authorized to waive present and previous default so long as it deems expedient. This will put the committee in a position to satisfy itself that the reorganization proceedings or other negotiations in the interests of the Northwestern bondholders are being actively taken and at the same time it will almost certainly lead to organization of the other interests concerned, so that discussions can be carried on by authorized negotiators.

"While the company has advised that efforts will be made toward a reorganization, the immediate question is whether the present default is to be allowed to continue without any definite arrangement or plan."

The committee, which was appointed by bondholders at the meeting on November 14 last, consists of J. B. Woodyatt, chairman, A. N. Drolet William Ferguson, Arthur H. Gilbert, George de B. Greene, S. Kilpatrick, George W. Mitchell, Glyn Osler, K.C., W. Wynne Robinson, general manager National Trust Co., Montreal, and John J. Rudolf.

Proxies are being sought by the committee from holders of registered bonds, bearer bonds and of certificates of deposit issued under the committee deposit agreement.

The committee has tried since its appointment to get Winnipeg Electric Co. to prepare and submit a plan and it also canvassed the possibility of unifying public utility interests in Manitoba but decided that the time was not ripe as the response was neither definite nor satisfactory.

Committee's Plan Turned Down

Getting no plan from Winnipeg Electric Co., the committee prepared its own plan. It was willing to grant a substantial extension of time on behalf of bondholders for Winnipeg Electric Co. to make good its guarantee if the company would redistribute its common shares so that the bondholders would have a certain proportion and create a charge on Winnipeg Electric's equities "to secure ratably Northwestern Power bondholders and all other unsecured creditors, but on terms which would not interfere with the operation of the undertaking."

This plan asked that capital expenditures were to be subject to approval of the committee and that periodic financial statements should be made available to the committee The company did not accept this plan. It was also unwilling to accept the plan if the proposal to create a charge were eliminated and the extension of time were made subject to cancellation.

The Legislature of Manitoba on May 4 instructed the Municipal and Public Utilities Board of Manitoba to prepare a plan for an adequate system of street transportation for greater Winnipeg to be submitted at the next session of the Legislature. In the meantime the board was given full power over the passenger transportation system and was given certain powers to stay actions and proceedings against public utilities and their properties. The committee, is advised, however, that this would not extend to bankruptcy proceedings.

Other Difficulties Seen

It is possible that receivership might come in any event to Winnipeg Electric although it might be

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Cockshutt Plow Secure Business from Abroad

From Our Own Correspondent

MONTREAL—Cockshutt Plow Co. recently has received fairly substantial orders for its products from South Africa and Scotland. Domestic business also has taken on a better tone and the sales of tiller combines have been more successful than anticipated. In connection with its efforts to increase sales, Cockshutt is completing arrangements for the marketing of its products in British India.

While the volume of business being undertaken by Cockshutt Plow at present is relatively small compared with that done a few years back, the position of the company is steadily strengthening. Plant has been maintained in first class shape and the company is in position to take advantage of any marked upswing in demand for its products.

At the end of its last fiscal year, November 30, Cockshutt showed inventories slightly in excess of $3,000,000 while accounts receivable totalled $3,573,745. Bank and other loans aggregated $1,376,156. Since that time inventories have been reduced, while receivables have been coming in on a better basis, especially from the West. It is understood that the bank loan has not increased.

Market interest in the company's stock has been well sustained for several months past. The volume of trading has not been large, but a fair amount of stock has been taken off the market.

Highlights of the Week

Events and Topics That Make Articles for The Post This Week

Business

The Financial Post makes a special survey of the response of business to the rise in commodity prices. Some encouraging facts are elucidated. Page 1. And The Post's monthly business index shows largest gain in four years. Page 7.

Bonds and Inflation

Which bonds stand to benefit, which ones to lose from inflation? The bond editor makes an analysis for the benefit of investors. Page 5.

Personalities

How Hommel is making a success of Stop and Shop Stores. Page 9. More about the men around President Roosevelt. Page 9.

Make Your Will

First of a series of important articles on the always timely subject of how to arrange an estate and make a proper will. Page 9.

Nickel Outpost

Why International Nickel built its hugest fabricating plant at Huntington, W.Va., told by our mining editor after a visit to the plant. Page 16.

'Peg Electric

Reorganization is forecast for Winnipeg Electric. A story of its troubles and its prospects. Page 1.

French Treaty

A careful analysis of Canada's trade prospects under the newest important trade agreement. Page 1.

HINDE & DAUCH EARNS CHARGES FIRST QUARTER

Improves Position Over Same Period of 1932, 1931

Some improvement in earnings is reported for Hinde and Dauch Paper Co. of Canada during the first quarter of 1933 in comparison with the loss of $28,000 experienced in the first three months of 1932 and loss of $108,000 in the same period of 1931 after provision for depreciation and bond interest. Working capital has been maintained and the company has no bank loans. Prospects are that bond interest and depreciation will be covered in 1933.

With increased prices on paperboard produced in Canada not yet in sight, profit of Canadian producers is dependent upon volume and low cost of production. At the present time prices are but slightly above the 1913 level with liner board selling at $42.50 per ton, a rate which has been in effect since June, 1931. The average price during the last 10 years has been about $60 a ton. Production of fibre containers in Canada was valued at $6,000,000 in 1931, dropped to $4,900,000 in 1932 and was on an annual basis of $4,000,000 in the first quarter of 1933. Competition for the reduced volume of business has severely affected most operators in the industry.

Operates at Capacity

Volume of business done by Hinde & Dauch Paper Co. has been well maintained and the box board end of the business developed late in 1932 is beginning to show some return with the machine operating at full capacity. Operating costs which have been effected since the latter part of 1931 by L. F. Winchell, vice-president and general manager, are continuing to play an important part in enabling the com-

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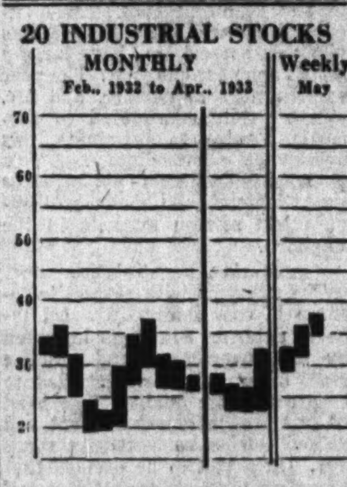
Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of May 16	38.8	34.7
Week of May 9	36.1	32.2
Month of May, 1932	24.1	18.4
10 Public Utilities		
Week of May 16	49	46
Week of May 9	47	44
Month of May, 1932	42	34
8 Bank Stocks		
Week of May 16	155	150
Week of May 9	155	150
Month of May, 1932	165	151

Commodity Price Gains Have New Significance As Business Improves

Increased Industrial Activity in U. S. Gives Hope That Sound Basis for Recovery Being Laid Without Currency Inflation — Steel Leads Way

PRICES ADVANCE OVER WIDE FIELD

Major advances along the industrial and retail front in the United States in the past few weeks have focussed attention sharply on the commodity price outlook for both U. S. and Canada.

Abandonment of gold and inflationary developments started commodity prices soaring a month ago. Recent constructive developments in business indicate that the first effects of inflation have been to make important changes in price relationship and to speed industrial activity in many lines. It is therefore of primary importance to review at this time what has taken place and attempt to appraise events in light of future probabilities.

If this is true it will mean that Canadian firms who have so far adopted a highly cautious buying policy may shortly need to reverse their position. The situation at least calls for very careful consideration.

Key Facts Summarized

Here in brief are the facts:

1. Sensitive commodity prices in the United States have risen over 50 per cent from their 1933 low. About half this increase occurred prior to the middle of April. Half subsequent to U. S. abandonment of gold. Weekly indices embracing 30 basic commodities are up 17 per cent since April 17. Even Fisher's slow-moving index (200 commodities) is up eight per cent from its 1933 low.

2. Important individual items show:

Pig iron at highest point since April, 1932

Tin at highest price in three years.

Crude rubber (spot price) at five cents for first time since Dec., 1931.

Hides at N. Y. 111 per cent above 1933 low.

Raw cotton up 50 per cent and silk from 30 to 35 per cent.

Wheat (at Winnipeg) up 60 per cent from year's low.

3. Industrial operations in U. S. show marked expansion headed significantly by steel. Ingot production for April shows highest daily average (after seasonal adjustment) since February, 1932. Current operating ratio of 35 per cent is three-fold gain since March low. Electric power production exceeded corresponding weekly total for first time in three years. Textile mills (rayon and cotton) operate at 100 per cent of single shift capacity. Automobile plants stepped up to 60 per cent of capacity. Rubber plants 45 per cent busier than March. Employment and retail and wholesale trade figures show important gains.

4. World stocks of leading commodities were eight per cent below 1932 peak in January. Subsequent events have further improved this.

5. Belief grows that U. S. president will not need to invoke currency inflation measures to further stimulate activity, this being construed as especially constructive factor tending to encourage long-term investment as in private construction projects and so forth, and give permanence to much that is now on speculative basis.

6. In Canada preliminary data shows April industrial activity (F. P. index) making sharpest gain in four years. Subsequent figures expected to modify this however. Carloadings after seasonal adjustment have risen for four successive weeks. Canadian exports in April however slumped 25 per cent and imports fell off 30 per cent.

What is happening to leading commodities is shown in the following table which gives current quotations at the end of last week compared with prices prior to U. S. abandonment of gold and also the 1933 low point.

	Current Price c.	Apr. 10 Quotes c.	1933 Low c.
Wheat (bu.)	68	53	42
Sugar, raw (lb.)	3-1/3	..	2-3/5
Coffee (lb.)	8½	8	7½
Cotton	9	6-2/5	6
Rubber	5	3¾	2-4/5
Silk	$1.57	$1.18	$1.12
Tin	30¾	24½	21¾
Copper	7	5	5
Hides	9½	6	4½

Canada Watches Closely

For Canadian industrial and mercantile firms the dominant question of the moment is: "When shall we buy?" Canada has no sensitive weekly price barometers and with the exception of wheat, livestock, and dairy produce it is difficult if not impossible to get accurate weekly indicators of price and commodity trends here apart from those which are a direct reflection of New York. Certain it is that any indication of permanently higher price levels or any important upward swing of industrial and trade activity in the United States will be very closely reflected in this country.

How closely higher prices for raw materials are tied to improved conditions in the industry is clearly seen in the case of rubber. Spot quotations for crude rubber at the end of February were at their year

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Economist Thinks Pound Natural Level About $3.90 In U. S.; Our Dollar 86c

Possible "natural" levels of $3.90 for the pound sterling and 86 cents for the Canadian dollar in the United States are indicated from studies made by Professor Gilbert E. Jackson, economist of the Bank of Nova Scotia and director of studies in Commerce and Finance at the University of Toronto. These estimates are what the economists call "purchasing power parities."

This is in no sense an attempt to predict where stabilization of currencies may ultimately take place. Other studies might give different results. Moreover stabilization on new gold bases may not be decided solely on estimated "natural" levels. Considerable delay before stabilization is realized might also change an estimate of "natural" levels.

Could Eliminate Fractions

Mooted changes in the gold content of currencies gives the world an opportunity to eliminate some of the fractional exchange parities, Mr. Jackson pointed out in conversation with The Financial Post. This is a chance, which may not occur again for generations, to correct a nuisance.

The franc, for instance, is worth 3.9179 cents in terms of the present gold dollar. The par of sterling in the same gold dollar is $4.866563523, which puts box-car figures to shame. Mr. Jackson sees no reason why some of these fractions could not be eliminated, if, as and when revaluation of gold occurs.

While Mr. Jackson says he would not care to predict where stabilization of currencies may take place, others are more inclined to guess. A recent estimate is $4 for the pound sterling, and 90 cents for the Canadian dollar in New York, with the United States dollar's gold content reduced about 15 per cent. British observers appear to feel that the best level for sterling is about $3.50 in terms of the present United States dollar. Reduction of the gold content of the dollar would reduce this figure.

Results of Study

This is the way Mr. Jackson states the results of his studies made for the Bank of Nova Scotia:

"As a result of some study in this office, it is suggested that perhaps the 'natural' level of sterling in New York is about $3.90 (or in any case some figure between $3.75 and $4.05); and that the 'natural' level of the Canadian dollar in New York is about 86 cents (or at least some figure roughly between the limits of 84 and 88 cents). On this basis, the 'natural' sterling rate in Montreal would be about $4.53 (or at least within the limits of $4.36 and $4.70)."

The level of $4.53 for sterling at Montreal is simply a figure calculated from the other two estimates.

"Purchasing power parities" sound mysterious. They're not. In lay language the economists mean by this phrase that "the money which will buy the most should be worth the most." In estimating the "natural" level of sterling, for instance, it may be calculated that a pound will buy 3.9 times as much as a dollar. Then, if a dollar is $1, a pound should be worth $3.90. This is a "purchasing power parity." Actual quotations may vary from the calculated natural level for various reasons.

"Natural" Parities Vital

These "natural" parities are of vital importance if the international gold standard is to be re-established. The gold standard links nations' price levels together. The price level of one gold standard nation cannot go up and down alone; at least only to a limited degree. So it is necessary that price levels of various nations should be at satisfactory points before parities are established. Then it is necessary that parities should agree approximately with the price levels.

If wide errors are made in re-establishing gold parities, either

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THREE GROUPS SHOW INTEREST IN PRICE BROS.

Duke-Price Power, Sweezey and International Mentioned

VALUABLE ASSETS

Foreclosure on Property Opens Way for Dealing Direct With Bondholders' Committee

From Our Own Correspondent

MONTREAL.—Duke Price Power interests, International Paper, and a group headed by R. O. Sweezey have shown an interest in securing control of Price Bros. & Co. property which has been foreclosed by the Bondholders' Protective Committee.

The foreclosure by the bondholders was effected last week. In making the official announcement it was stated that this action by the committee, representing 75 per cent of the total outstanding bonds, clarifies the position of the bondholders and makes it possible for the committee to consider any plan of reorganization as may be presented.

Has Valuable Property

Though Price Bros. & Co. has got into serious financial difficulties, resulting in failure to cover obligations in respect to a $11,000,000 bond issue, the creation of $3,750,000 of bank loans, and inability to meet current liabilities it is recognized that the properties of the company are worth considerably more than represented by present obligations.

The physical properties of Price Bros. consist of two newsprint mills with a daily capacity of over 1,000 tons, several thousand square miles of timber limits several sawmills, water power developments, etc. Under more normal conditions these properties have displayed a substantial earning power.

Since knowledge of the company's financial difficulties became public property a year ago, considerable speculation has gone on as to what interests will ultimately secure control.

Bought Duke Price Power

Duke Price Power Co. has an important interest in the enterprise, inasmuch as Price Bros & Co. undertook to purchase 100,000 h.p. of electric energy annually. This power cost Price Bros. between $800,000 and $900,000 a year and constituted one of Duke Price's most important sources of revenue.

Since the appointment of a receiver newsprint operations of Price Bros. have been confined to the Kenogami mill where the company has been using its own power. The Riverbend mill, which used the power purchased from Duke Price is idle.

Power Outlet Valuable

Duke Price Power Co. can ill afford to lose this power outlet. By securing control of the property a market could once more be established, as production of newsprint could be switched over to the Riverbend mill and thus utilize power from the Isle of Maligne plant of Duke-Price Power Co.

Whether it would be in the best interests of Duke-Price Power Co. to acquire controlling interest in Price Bros & Co. depends largely upon the importance of establishing a market for the power formerly taken by Price Bros. & Co. Also there is the point that the newsprint business is not overly attractive at present and the inducements would have to be great in order to attract outsiders to take over the property.

Need Little Capital

It is generally recognized that little capital would be required to acquire control of Price Bros & Co. The bank loans of nearly $4,000,000 could be taken care of through liquidation of inventories. Obligations in respect to the $11,000,000

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EATON'S MEN'S FURNISHINGS SHOP

SPRING SONG

Now for brighter, better things—for brighter, better days. A touch of color, a suggestion of dash in your furnishings and your own "Spring Song" has been sounded. In the Men's Furnishings Shop spring now runs riot with new shirts, new ties, new pyjamas. Pay the shop a visit and don't be surprised if some of the smartest things are numbered among the most inexpensive. Don't be surprised if, after you have bought some of these furnishings, you should feel that Spring is an even better season than you thought before.

Main Floor — Yonge Street

THE T. EATON CO LIMITED

The Nation's Business

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ensure success of a loan beyond any question of doubt.

The Financial Post has previously published the comments of the Preparatory Committee of the World Economic Conference on this phase of policy of government. We again repeat certain significant phrases from their report and commend them to the earnest consideration of our prime minister and his minister of finance.

"International action, however indispensable, cannot restore a normal economic situation unless the proper internal measures have been taken. Each individual country must therefore be prepared to take the necessary steps to achieve internal equilibrium in the following matters:

"Revenue and expenditure, not only of the State budget proper, but also of the budgets of public enterprises (railways, etc.) and of local authorities, should be balanced.

"It will be necessary to create and maintain healthy conditions in the internal money and capital market and at all costs to avoid an inflationary increase of the note circulation in order to meet government deficits."

More State Control Urged for Farms

STRONG advocate of state controlled planting of wheat to stabilize prices is C. W. Peterson, veteran farm editor of Calgary. To Mr. Peterson the injustice is obvious of preaching the "jungle law" of the survival of the fittest to farmers, asking them to accept "laissez faire" as their economic doctrine when they must buy and sell in a highly Socialized urban civilization with its tariffs, minimum wage laws, combines, and all the other appurtenances of a state controlled economy. The farmer can prosper, Mr. Peterson declares, in an elastic, competitive economy in which wages, prices, etc., are rapidly adjusted up and down so that he is not the victim of rigid costs and low prices, as at present; or he can prosper under a system in which control is applied to the farms as well as to industrial life. But since there is such large measure of State control in urban life the farmer should be given similar shelter, thinks Mr. Peterson, who argues that as wheat is the key agricultural product control should start with wheat acreage.

* * *

THIS is the quasi-economic argument that stimulated the calling of a world wheat conference in Geneva at which Canada will be represented. There is much truth in the premise. Farmers in exporting countries, such as Canada, are the chief sufferers from depression because their prices fall rapidly while their costs, their debts, the prices of the things they buy, fall slowly. In reverse, however, the farmers were the chief beneficiaries of the war and the period of rising prices, for their all costs lagged behind the sensational markets for wheat and other food products. They will benefit most quickly from any subsequent rise in prices. Not that this is an adequate answer to the farmers' plea for continuous equilibrium. The average level between a boom and a crisis is no adequate substitute for comparative stability.

* * *

ANOTHER overlooked factor in the argument adumbrated by Mr. Peterson is that—contrary to the picture of an elastic farm economy buffetted by the storms of a rigid urban economy — agriculture is not free and uncontrolled throughout the world. In Canada our farmers essayed price control through wheat pools that merely deferred their adjustment to a new level and they are the "beneficiaries" of controlled railway rates, cheap state farm loans, debt adjustment legislation, etc. State intervention to maintain farm prosperity is on a large scale in other countries. Our farmers suffer more from the wheat tariffs of countries like France, Germany and Italy, which have stimulated continental production and deprived Canadian farmers of their markets than they do from rigidity in the wage or tariff structure of Canada.

* * *

BUT overlooking the over-simplification of the argument for wheat acreage control as phrased by Mr. Peterson in a letter in this week's issue of The Financial Post, the pivotal question becomes this: Since the farmer suffers from the rigidities of State control in the urban field, is it any remedy to extend State control to the farm field? In other words is more State Socialism the cure for the very acute disease of State Socialism we already have? The Financial Post cannot believe that such is the case. If the farmer stands to benefit from an economic civilization largely freed from the meddling of politicians and bureaucrats, if he asks merely the freer interplay of the traditional economic forces to give him the degree of prosperity and the comfort in living that he desires, then the farmer, aided by his spokesman, of whom Mr. Peterson is a notable one in Canada, should campaign for a return to a less Socialistic economy for the world. If too much State control has injured him let him roll up his sleeves and fight to get rid of excessive State control. Let him fight high taxes which bear upon him in the cost of everything he buys. Let him fight industrial combines which keep prices up. Let him fight rigid industrial wages. Let him fight tariffs, if he will, always remembering that certain farm groups in Canada themselves demand tariffs.

State control of wheat-growing will be particularly unfavorable to the Canadian farmer. It would simply be a scheme to "freeze" the present competitive position; to give permanence to high European tariffs and to keep uneconomic acreage in production to compete against low-cost Canadian acreage.

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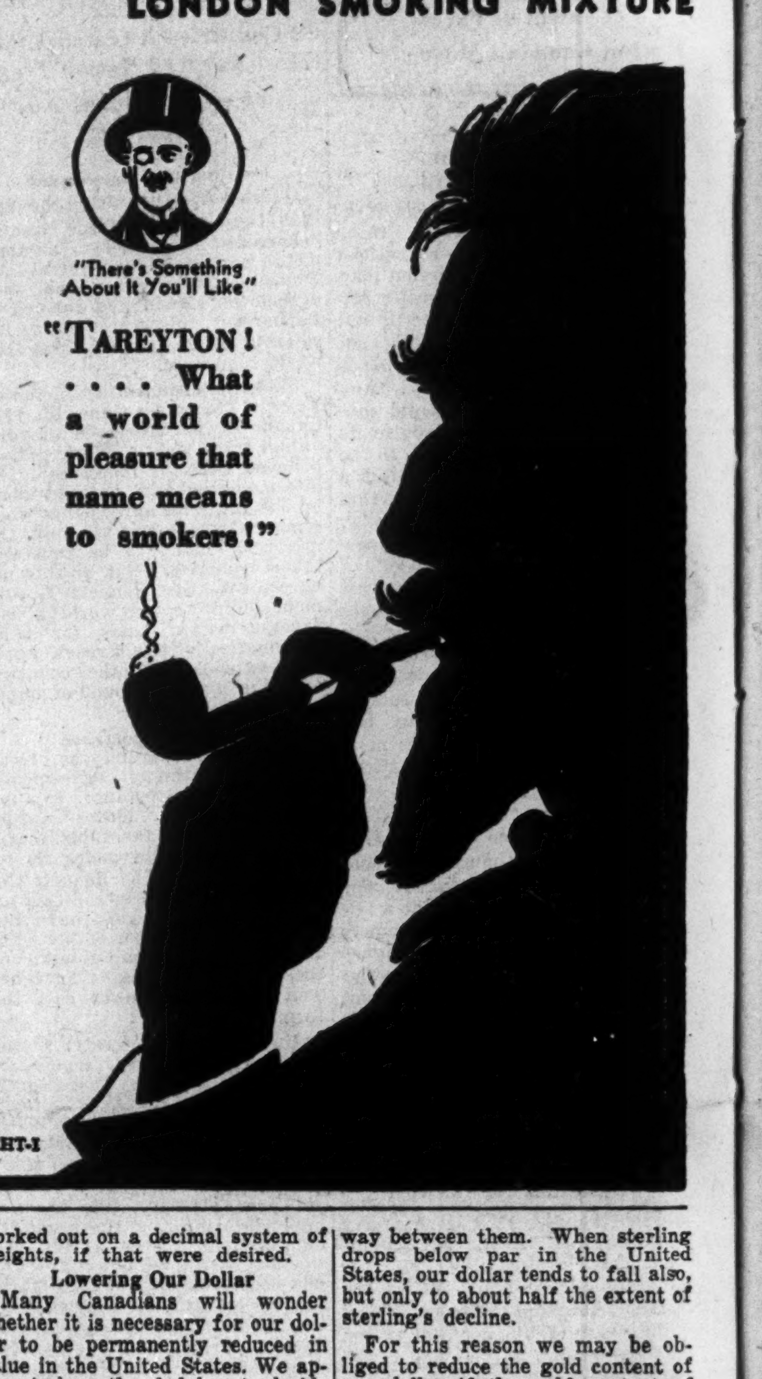

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HINDE & DAUCH EARNS CHARGES FIRST QUARTER

(Continued from page 1)

pany to meet effectively the keen competition provided by other producers, a number of which have entered the field merely to place idle machinery in operation until newsprint prices improve. As a result of reduced costs, the company had net earnings of $205,382 in 1932 which was sufficient to cover full depreciation and part of bond interest. This is in contrast to an operating loss of $33,771 in 1931. In 1933 the management hopes to earn bond interest and depreciation in full although earnings on the common stock will depend upon improvement in various factors during the remainder of the year. Improvement in prices would immediately affect earnings on common shares.

British Market May Open

No substantial increase in sales of containers to the brewing industry was noted in the first quarter since domestic consumption of beer was down and export markets had not opened up in the United States. Some increase in container sales to this industry is expected in the second quarter but it is not believed that demand arising from exports will continue. Possibilities of an export market for Canadian paperboard products is seen in Great Britain with any improvement in the exchange rate of the pound. Scandinavian and continental producers of paperboard have been selling some 350,000 tons to the British market annually and with the benefit of a preference for Canadian products Canadian producers may be able to get into this market.

Directors of Hinde & Dauch Paper Co. pay tribute to Mr. Winchell for the progress made by the company in the last two years, a tribute deprecated by the genial, shrewd Mr. Winchell who gives due credit to his entire organization and takes pride that the improved earnings of the company have been accomplished without reducing the size of the staff or lowering salaries and wages. Ability to secure the co-operation of his men plays no small part in the secret of his success in rebuilding a business that had shown signs of decay.

Without this co-operation and the willingness to grasp every opportunity for business presented, it is doubtful whether the records of the company would have shown an order for seven tons of boxboard received at 10.30 one night in March. Jig-saw puzzle fans were keeping manufacturers busy. A producer of such puzzles needed seven tons of a particular grade of boxboard in a hurry, otherwise he could not accept a good order. By long distance telephone, Mr. Winchell was asked if Hinde & Dauch Paper Co. could deliver such an order in London, Ont., 120 miles distant, by 7 a.m. the following morning. Order taken, 10.30 p.m.; machine in operation by midnight; trucks loaded with newly manufactured boxboard at 3 a.m. and delivered in London by 7 a.m. the morning following the order. The jig-saw puzzle manufacturer was able in turn to accept his order and deliver the manufactured product by 3 p.m. the same afternoon.

RECEIVERSHIP SUGGESTED FOR WINNIPEG ELECTRIC

(Continued from page 1)

delayed if no effort were made to enforce its guarantee.

Edward Anderson, K.C., president of Winnipeg Electric Co. told a committee of the Manitoba Legislature, when applying in April for relief from taxation on the company, that receivership would be sought if present efforts to relieve the company of payment of 5 per cent of gross earnings and paving and snow removal charges to the city of Winnipeg, as provided for in the present contract, were not removed.

Manitoba Power Co. earnings in 1933, though sufficient in 1932, are not apt to meet all requirements because its chief customer, Manitoba Paper Co., has shut down its plant. The latter's parent company, Abitibi Power & Paper Co. is in receivership, and Manitoba Power Company's last balance sheet shows $834,600 owing to it from Northwestern Power Co., as well. Manitoba Paper Co. was obligated to pay $264,000 to Manitoba Power Co., and the failure of Abitibi is therefore a serious matter to it.

THREE GROUPS SHOW INTEREST IN PRICE BROS.

(Continued from page 1)

of bonds would have to be assumed by the new interests. This might not require any other cash outlay than taking care of interest charges amounting to roughly $650,000 to $700,000 a year. It is possible for this sum to be earned with a slight improvement in tonnage. The current liabilities aggregate less than $1,000,000.

I. P. is in Picture

The second group reported to have more than a passing interest in acquiring control of the property is International Paper. This organization has been mentioned on several occasions in the last two years as having an eye on Price Bros. property. At one time negotiations are understood to have reached a point where International was willing to make a loan to relieve Price Bros. of its more pressing obligations. Such a development did not occur but International is reported not to have lost interest.

Provided that the property could be secured under favorable terms, Price Bros & Co. would prove a valuable addition to International's holdings. The latter company is in a position to switch tonnage to the Price mills so that operations could be conducted on an economical and profitable basis. With an upturn in the demand for newsprint, it would not be long before Price Bros. & Co.'s property could be put on a paying basis.

Means Another Obligation

In connection with this side of Price Bros.' situation, a point mentioned is whether or not International wants to or is in a position to assume further obligations. Provided that little capital was required to swing the deal it is likely that International would assume the risk considering its experience with the old Riordon property which was purchased under somewhat similar conditions.

Sweezey Heads Group

The third group mentioned as being interested in the control of Price Bros & Co. is headed by R. O. Sweezey, promoter of the Beauharnois enterprise. J. W. McConnell, Montreal financier, is said to be interested in the negotiations of this group.

As far as can be ascertained at this time negotiations by outsiders with the bondholders' committee have not progressed to the stage where a definite offer has been made. The action of the bondholders in foreclosing, however, clears the way for direct negotiations and it is expected that steps will be taken to rehabilitate the property on a permanent basis, if possible, before the end of the current year.

OTTAWA SEES WIDE EFFECT FRENCH PACT

(Continued from page 1)

more rapidly in recent years than has France's minimum tariff, the relative position is that Canada has yielded much less than has the other party to the treaty.

Three Canadian lines of export are particularly interested: wheat, canned salmon and tobacco.

With respect to wheat, Mr. Cahan told Parliament bluntly that for many years France had followed a policy of encouraging domestic production. Speaking of the present Government, he said:

"There is not the slightest intention to allow foreign wheat to come into France. Where you find our exports decreased, the explanation is that there has been larger domestic production in France, and where increased the cause is a partial crop failure there. I can offer no hope that France is likely to change this policy . . . I am not holding out any hope of getting a large and substantial market in France."

Little Hope For Wheat

Under the French tariff, the general rate is just double the minimum tariff. On the surface, therefore, the treaty has the effect of lowering the tariff against Canadian wheat from $1.70 to 85 cents per bushel. But there are three additional factors in this situation.

1. Under the Stresa convention, France is pledged to reserve thirty per cent of her wheat imports for three Danubian countries —Hungary, Yugo-Slavia and Roumania. Each country is allotted ten per cent and these imports are allowed entry at a rate of duty much lower than the minimum tariff.

2. By special decrees, the French Government fixes the amount of foreign wheat which French millers are permitted to use in milling flour. Last fall only three per cent foreign flour was permitted; today only one per cent. These decrees set aside any trade agreement or special tariff.

3. By other decrees the French Government occasionally allows a French miller, who has exported flour, to import a given quantity of foreign wheat with which to replace his exports. It is under this special permit system that most of Canada's exports to France in the past year have taken place. Under these decrees the duty payable on foreign wheat is nominal.

Wheat For Seed

And finally, there must always be a small export of wheat to France for seed purposes. By frequently renewing the seed, the French Government has discovered that a hard spring wheat may be produced in Algeria and Tunisia.

With regard to canned salmon, the facts were recently published in The Financial Post. The difficulty here was that France had pledged herself to buy largely from Japan for one year. The year expires next September, and Mr. Cahan vainly endeavored to persuade France to terminate this agreement immediately. This France has declined to do, but after next September, Canada will regain lost salmon markets in the Republic.

Market For Tobacco

The situation with respect to tobacco is very interesting. All tobacco entering France is imported by the government, and a large staff of experts is maintained to ensure suitable quality. The head of this branch of government had visited Quebec some twenty years ago. On that trip he decided that Canadian tobaccos are inferior and for this reason Canadian producers have never gained a foothold in this market. Mr. Cahan was able to persuade the official that vast improvements had been made in volume and quality of production with the result that tobacco inspectors of the French Government will visit Quebec and Ontario in the near future. If, as is believed certain, they find that Canadian tobaccos are entirely suitable for French consumption a worthwhile business should develop.

Of chief interest, so far as Canada's concessions to France are concerned, are the new tariffs on the few commodities which caused the abrogation of the old treaty. In a general way the following eight items will give the picture:

	Old treaty	New treaty
Perfumery, etc.	25%	40%
Chinaware	20	35
Silks	30	45
Velvets	20	32 ½ plus 4c. per lb.
Knitted goods	25	25
Cotton lace	15	30 plus 4c. per lb.
Linen lace	15	35
Ribbons	25	29

Allows Special Tariffs

But whereas under the old treaty the Canadian Government was powerless to impose any special tariffs by way of arbitrary values, dump duties, exchange duties etc., the new agreement does not hamper the government's powers in any way.

In the last five years, owing to higher tariffs in Canada and the dislocation of the treaty, a substantial unfavorable balance with France has been converted into a favorable balance.

Give Cahan Entire Credit For French-Canada Treaty

By RICHARD CHURCHILL

Credit for achieving a treaty with the one nation in the world which is conceded to be the most difficult with which to negotiate belongs exclusively to Hon. C. H. Cahan, secretary of state. One of the most able ministers of the crown ever to hold a seat at Canada's council table, despite his 72 years of age, Mr. Cahan was Canada's delegate to the League of Nations—the discussion of the treaty with France was merely a sideline.

It is probably a safe bet that the Bennett Government believed that trade relations between Canada and France had become so exacerbated, so eaten out with the acids of dump duties, exchange regulations, ill-will and bad temper, that negotiations would be fruitless. It may be recalled that one French consul-general took ship for home after giving an interview in which he remarked, pithily, that "Canada is committing suicide through the policies of Rt. Hon. R. B. Bennett." You will find that interview in the daily press of June 10, 1932.

Alone He Did It

Anyhow, whether because the negotiations were deemed sure to fail or because the watchword at Ottawa today is economy, Mr. Cahan was sent to Geneva without advisers, experts, statisticians—without secretarial assistance of any kind. The Bennett Government, in denouncing the old treaty, had pledged itself to reopen negotiations and Mr. Cahan no doubt could call on the officials of the External Trade branch of the French Government at Paris as well as anyone else.

Only Mr. Cahan is not built that way. Beginning early last October, he proceeded to negotiate a trade treaty which must become Canada's chief medium of bargaining with the world outside the British Empire, which automatically must apply to a large percentage of existing trade. He continued to negotiate while Herriot's administration was swept into the discard, replaced by the ministry of Paul Boncourt. He was still negotiating when Boncourt followed Herriot into oblivion and was replaced by Deladier. He carried his own reference book, dug out his own trade statistics, used his own judgment as to how best he could serve Canadian industry. And, in the end, he came back with a trade agreement which ran the gauntlet of parliament with a minimum of criticism.

Sponser in House

It was Mr. Cahan, also, who put his treaty through the House of Commons, answering all questions, defending every item. And his success, in this regard, was due, largely, to the great frankness with which he discussed the probable effect of the measure.

ECONOMIST THINKS POUND NATURAL LEVEL IS $3.90

(Continued from page 1)

price levels of the various countries will distort themselves to agree with the new parities, or the gold standard will not work properly.

There are two outstanding recent examples of this. Great Britain furnishes one and France the other.

Great Britain is believed to have established sterling too high, when the former parity of $4.8665 was restored in 1925. This caused deflation of her internal prices from their pre-1924 level. The trade of the country was, thereby, hampered. Business was "in the dumps" in Great Britain long before deflation started to paralyze the trade of the rest of the world.

France is believed to have established the franc too low in 1928. This is believed to have resulted in an "unnatural" flow of gold to France. Hence arose part of the "maldistribution of gold," economists say. Then the maldistribution is believed to have caused declining prices in the rest of the world.

In brief, restoration of sterling and francs to erroneous parities, in relation to British and French prices, has contributed substantially to the causes of the present depression, in the opinion of economists.

Eliminating Fractions

To get back to Mr. Jackson's suggestion that fractional parities could be rectified. Among the chief causes of fractional parities are the different systems of weights and measures used by various countries. But this difficulty is not insuperable.

Many countries use the metric system of weights. Thus, the franc contains 58.95 milligrams of fine gold. Others use the British troy weight system for precious metals. Since a grain of gold troy equals .064799 of a gram, fractional parities result.

To make matters worse, the pound sterling does not contain an even amount of gold calculated in troy weight. Moreover, British coinage is made from 11/12 gold and 1/12 alloy, whereas most other currencies are based on 9/10 gold, 1/10 alloy.

This is how the present gold content of several currencies works out in terms of troy and decimal weight.

Fine Gold Content of Sterling, Francs, U. S. and Canadian Dollars in Troy Weight and Decimal Weight

	Troy grains	Decimal grams
Sterling	113.0016	7.3223907
U. S. and Can. $	23.22	1.5046328
Franc	0.909736	0.5895

There seems to be neither rhyme nor reason to these figures.

The pound sterling appears to be the chief sinner against uniformity. That is because the content was established on an arbitrary basis in 1717 and has not been changed since. If these fractions were simplified so that exchange parities would work out evenly, a boon would be conferred on all dealing in currencies and on future generations of schoolboys.

To show that it would not take a mathematical wizard to adjust these little differences, The Financial Post submits the following example of a possible new group of parities:

Possible Gold Content for Sterling, U. S. and Canadian Dollars, and Francs, and Resultant Parities

	Gold content grains	Resulting parities in U. S.
Pound Sterling	78	$3.90
U. S. Dollar	20	1.00
Canadian Dollar	17.2	.86
French Franc	.09	.04½

A similar simplification could be worked out on a decimal system of weights, if that were desired.

Lowering Our Dollar

Many Canadians will wonder whether it is necessary for our dollar to be permanently reduced in value in the United States. We appear to be rather helpless to decide that for ourselves.

We have had difficulty maintaining parity of our dollar in the United States since the war. But we have had less difficulty than the British have had with sterling.

The question of what is to be done with our dollar appears, to depend on what is done with sterling and the United States dollar. Our dollar is a vassal to these two currency monarchs. The Canadian dollar is affected by the movements of each of these two, and appears naturally to seek a level about midway between them. When sterling drops below par in the United States, our dollar tends to fall also, but only to about half the extent of sterling's decline.

For this reason we may be obliged to reduce the gold content of our dollar if the gold content of sterling is reduced. But we probably should not reduce it as much below the United States dollar as sterling, in the opinion of close students of exchanges. If we ambitiously try to oppose this natural tendency, and attempt to maintain our dollar at 100 cents in the United States, these observers believe we may do ourselves damage. We would be attempting to go contrary to a natural economic tendency, they believe. Such attempts have been proved dangerous in recent years.

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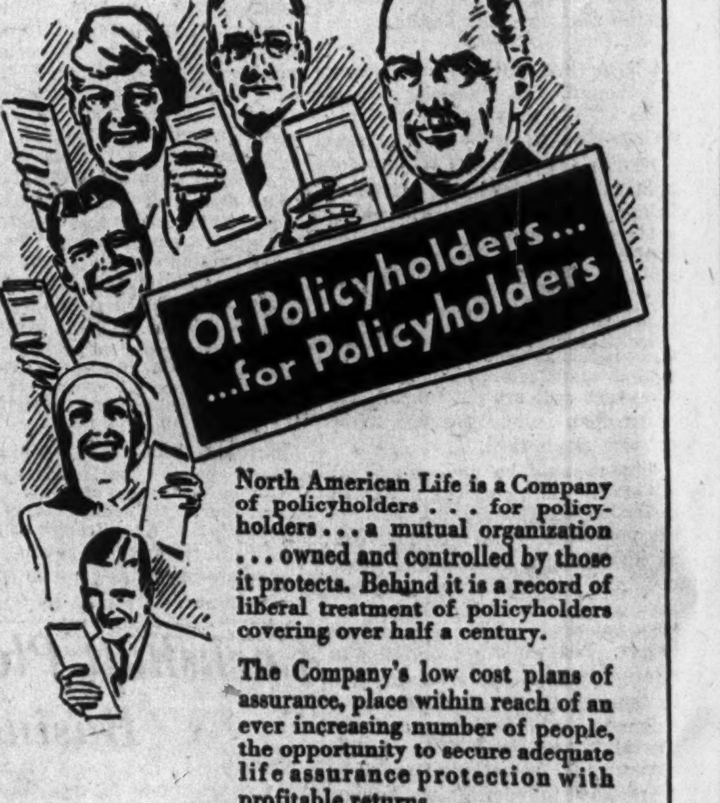

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CANADIAN APPLES NET POOR RETURNS IN BRITISH MARKET

Keen Competition and Low Prices Despite Preference

Prices obtained by Canadian apple growers for fruit sold in the British market during the seven months' season which ended in April have been unsatisfactory despite preference of 4s. 6d. a cwt., negotiated at Ottawa last year, according to a statement made by J. Forsyth Smith, Canadian Fruit Trade Commissioner in London.

As far as the preference is concerned any beneficial effects which may accrue from it were not experienced during the past season due to extremely low prices, aggravated by the adverse exchange situation, he said. Foreign competition, which was expected to be less severe than in prior years due to the preference, remained as keen as ever, even the United States with a worse exchange situation with which to contend being able to quote a low price owing to reduced demand in that country.

Eastern Crop Down

The Canadian apple crop in 1932 showed a slight decrease as compared with the previous year owing to lower production in the Maritimes and Ontario. With the Maritimes crop 44 per cent lower than in 1931 due to severe September storms and Ontario down nearly 30 per cent from the previous year, a good season for barrelled apples was expected by the trade, Mr. Forsyth Smith stated. The British Columbia crop, on the other hand, was nearly 30 per cent greater than the short crop of 1931 but it was hoped that increased demand for Empire-boxed apples would result in excellent prices.

The storm in the Maritimes which turned a prospective bumper crop into a loss of 44 per cent from the previous year was such a disaster that it was found necessary to minimize the loss as much as possible by attempting to market windfalls in Britain. With this in view, a considerable quantity of windfalls were barrelled and shipped to Great Britain. While better prices were obtained for these apples than had been anticipated, the placing of this large quantity of doubtful apples on the market naturally had an adverse effect on the general situation.

Ontario's Difficulties

Ontario fruit growers had to contend with unfortunate production conditions, fungus disease being somewhat more prevalent than usual. The best packs of apples and the system of grading impressed the trade in Great Britain, however, and helped to add to the prestige of fruit from the province, according to Mr. Smith.

British Columbia boxed apples had considerable success at the beginning of the year, when dealers rushed to get supplies of Empire-boxed apples entering under the preference.. Later, however, when it was found that foreign-boxed apples were being quoted at equally low prices and in large quantities there was something of a glut on the market and poor prices resulted.

Foreign Competition

Commenting on the effect of duty on the quantity of foreign apples entering the British market, the Fruit Trade Commissioner stated as follows:

"Despite unfavorable developments this season the duty has given a definite stimulus to the trade in Canadian apples. It has also been made clear, however, that no revolutionary change in the supplies from foreign countries is to be expected, and that the main effect of the duty will be a gradual readjustment of the proportion of foreign and Empire supplies, to the advantage of the latter. In view of the fears expressed in some quarters that under preference conditions a shortage of apples was likely to develop, it may be of interest to note that total trans-Atlantic supplies for the season, while less than those of the heavy crop year 1931-32, have been considerably greater than in 1930-31, a year of average production.

THREE TREATIES SIGNED BY BRITAIN IN PAST MONTH

Agreements With Argentine, Germany and Finland Help Industry

Trade treaties, which have recently been negotiated by Great Britain with Denmark, the Argentine and Germany, have improved the position of Britain's basic coal and steel industries without giving, in return, any concessions which would work a hardship on other industries, it would appear. As far as Canada is concerned the terms of the treaties do not appear to have any particular significance except probably the treaty with Denmark which gives a quota on bacon, ham and eggs just slightly smaller than the average exports to Great Britain during the past three years.

Under the terms of the Anglo-Danish treaty, British coal, coke, pig iron, steel mesh and jute will be admitted duty free to Denmark. In addition the Danes are promised the quota on dairy produce as mentioned above.

Argentine Treaty

The Argentine treaty assures Britain an increased share in the foreign exchange regularly available in Buenos Aires and the new £10,000,000 loan is reported to be for use in England for paying interest to British holders of Argentine securities. In return, Great Britain has assured the Argentine that no new or increased duties or charges shall be levied on meat, bacon, hams, wheat, linseed, maize or quebracho extract and no quantitative limitations shall be established on imports of wheat, maize, linseed, bran and pollard, sharps and middlings, raw wool, tallow, horse hair and casings.

Least spectacular of the agreements is that completed with Germany which allows lower rates of duty on imports of musical instruments and clocks, toys, jewellery and a few acids in return for which British exporters will be guaranteed a market of at least 180,000 metric tons of coal or coke a month.

Official Record Shows Accuracy of The Post

Facts Show Premier Anderson of Saskatchewan Very Wide of Mark in His Attack on News Article

The Financial Post occasionally is denounced by public men who challenge the accuracy of statements made in its columns. Usually, the public men who attack the veracity of The Post have a distinct advantage. The business of The Post is to publish facts as promptly as possible. This is a service that readers have come to expect and it often happens that facts are published in advance of official announcements. In such circumstances, it is fairly easy for public men who possess official documents, to challenge the accuracy of reports. And it is somewhat difficult for The Post to meet the challenge promptly, by reason of the fact that the documents are not public.

One of the latest incidents of this kind occurred in this way.

On March 25, last, The Financial Post forecast the policy which Premier Bennett had formulated to meet the financial demands of the Western provinces. Mr. Bennett, a short time before had written letters to the Western governments setting out his policy; but these letters had not been published.

The Post, however, knew what was in these letters. It declared that Mr. Bennett, in effect, had read the riot act to these governments, and had laid down very severe terms which the West must meet before further loans could be considered. The Bennett Government, it was pointed out, did not decline all further assistance, but had stipulated for certain measures of economy and higher taxation and, perhaps, the right of supervision.

This report was read on March 29th in the Saskatchewan legislature. Hon. J. G. Gardiner, Liberal leader, was criticizing the Anderson Government for "loose administration" of relief funds. He said: "This is the kind of thing to which we have been objecting for two years: to which the financial papers are objecting: to which Mr. Bennett is objecting."

Premier Anderson interjected: "That is not correct."

Mr. Gardiner then read the item from The Financial Post and Mr. Anderson is reported by the Regina Leader-Post to have "suggested that little reliance should be placed on that paper."

As stated, this report declared Mr. Bennett had stipulated for economy, more taxation, if necessary and, perhaps, for a measure of Federal supervision.

And when Premier Anderson challenged the accuracy of this report, he had Premier Bennett's letter in his possession. This letter was made public recently. It reads, in part:

> "It becomes my absolute duty to say to you in the plainest terms, and I do so with all respect, that in case you anticipate making further requests for financial aid, either by loan or by guarantee or in any other form, favorable consideration cannot be given to such request unless your government is prepared to pledge itself to present a balanced budget by further reductions in proposed expenditures or by increased taxation, or by both; or if convincing evidence is adduced that under existing conditions such balanced budget is impossible, then your government must adopt a definite prescribed plan whereby the maximum estimated deficit under your proposed budget shall be well under one million dollars.
>
> "Should your government be unable or unwilling to comply with the above requirements, any alternative which can be accepted must be one which meets with the imperative necessities of this time. Again with every respect, I must state that the only alternative I can propose, meeting such necessities, is that the finances of your province be supervised to the extent and in the manner hereinafter set out, by a financial controller who may be nominated by your government but who must be satisfactory to the government of Canada."

Mr. Anderson was, of course, very foolish to attempt to mislead the leader of the opposition. The true facts were bound to come out shortly, in any event. He was even more foolish in charging The Financial Post by innuendo with falsifying the news. The situation now is that he has been made to appear a little ridiculous and if he has any conscience or sensitiveness at all he must be a little sorry for his rather foolish and childish display of bad temper.

Western Editor Demands State Control for Farms

In Arguing for Control of Wheat Acreage He Says World Cannot Countenance Socialized Industry and "Jungle Law" Agriculture

By C. W. PETERSON,
Editor, The Farm and Ranch Review, Calgary

Editor, The Financial Post:

The Financial Post has published several articles recently expressing disagreement with that large section of Western opinion, which advocates a system of international control of wheat production. It would perhaps serve useful ends, that your readers should learn the other side of the story.

Dr. Paul Bang, Under Secretary in the German Departments of Agriculture and Economics, said recently: "Germany's industrial crisis is an inevitable consequence of the agrarian crisis. The decline in industrial production is proportionate to the decline in agrarian purchasing power." Obviously, this applies with vastly greater force in Canada.

Barrier to Recovery

Sixty-eight per cent of all the people on earth live and die on the farms of the world.

Surfeited with cheap food, the world has now deprived the farmer of more than half of his normal income, through arbitrarily depressing the prices of his products. In Canada wheat stands at 38, with pre-war at 100. The commodities the farmer buys stand at 132 and urban wages at 180. This alarming maladjustment is clearly antagonistic to economic recovery.

As a direct result of this almost universal destruction of agrarian purchasing power, business depression, unemployment and general misery have automatically, descended upon all classes in all nations. Restoration of farm purchasing power is evidently a paramount world problem.

Adam Smith intimates that bread grain prices, over long periods, control the purchasing power of the monetary metal. Be that as it may, we do know positively, that bread grain prices ultimately govern all farm prices. Therefore, they control the cost of living, which, in the long run, controls the wage level, and the latter is the preponderating factor in the general commodity price level. All this seems almost elementary. Therefore, it would follow, that we cannot apparently raise and stabilize the general price level, unless we start with bread grains, the fundamental requirement of mankind.

Big Four in Wheat

Canada, the United States, Argentina and Australia supply 85 per cent of the world export wheat. For various reasons these countries have increased their wheat area forty million acres, seventy per cent over pre-war. This ruinous spree of competitive acreage expansion has finally made food a drug on the world's market.

There is no consolation in spectacular wheat exports at present prices. The amount by which the cost of production of Canada's export wheat and other farm products, exceeds the amount we receive for them, comes out of our rural working capital and soil resources. It is a compulsory donation to the hungry masses in Europe and elsewhere by a class at present financially unable to indulge in voluntary, wholesale philanthropy.

It now seems a fair question, whether the mental standard of these four, apparently civilized nations, has sunk so low, that they cannot confer and agree on comparatively simple measures to partly retrieve this monumental error and thus save themselves and other nations as well, from the state of agrarian ruination into which they are steadily drifting.

The farmer is, however, told that we have "too much government in business." It is gently intimated, that he must take his chances on the law of supply and demand, which will eventually adjust wheat production to world requirements. Will it? Is there, as a matter of fact, any such thing as actual farm abandonment on a major scale in bread grain exporting countries?

In times of depression and widespread urban unemployment, where will the disillusioned farmer go? He and his family are obviously better off on the land than they would be joining the army of unemployed in the towns. The farm still provides food and shelter. It furnishes employment, and even a moderate cash revenue, in the worst of times.

Furthermore, will not the production resulting from the present unmistakable, and ever increasing, drift of the unemployed from town to the countryside, which is going on the world over, 650,000 in the United States alone, in time more than outweigh any curtailment due to farmers now leaving the land under economic pressure, or reducing the extent of their area under crop? If so, there is apparently no permanent salvation, even through the law of the survival of the fittest.

Kernel of the Problem

The whole controversy finally resolves itself into a very important problem in public administration, namely, should we follow a laissez faire policy in connection with agriculture and calmly await the result of the corrective force of supply and demand? In considering this question, we should, however, bear in mind, that all urban activities are apparently controlled automatically through demand. When demand lags or ceases, factories close or go on short time. Services and business adjust themselves similarly. Agriculture, on the other hand, is not subject to any such natural control, except perhaps through bankruptcy, which seems a crude and destructive regulator. Those who advocate intelligent control deem that it could be improved upon.

There are many indications that we definitely face an era of controlled production of the leading agricultural stables, partly because the world is beginning to discover that this is the missing link in the chain of commodity price stabilization and steady business activity.

The Jungle Law

If, however, those timid souls, who express horror at state intervention, except where they, or their class, are the beneficiaries. still think it inadvisable for the public to step in and apply regulatory measures on the farm, there is only this to be said, that we must then be consistent and make the laissez faire policy unanimous throughout our entire national economy.

Obviously, the farmer would prosper famously under such a primitive economic system, which would speedily create price parity all along the line. Agriculture can, of course, flourish under any price level, providing its purchasing and debt liquidating power remains normal. The key problem facing the world is, however, to restore parity between the commodity and the agricultural price levels, preferably at a point where existing debts can be successfully liquidated.

We have come to the jumping-off point. Our present economic system cannot be saved, unless we apply it impartially to the countryside as well as to the town. The choice that faces the existing order is, either to raise the agricultural to the urban price level, by such means as may be invented or to reduce permanently the urban standard of living to the level of the farm, which is now in process of rapid and ruthless accomplishment. The farmer can be equally happy either way, but the urban dweller would miss sadly the "fleshpots of Egypt." This apparently is the whole issue in a nutshell.

C. W. PETERSON.

Calgary,
May 3, 1933.

IN FINAL SPEECH ALDERDICE OF NFLD REVIEWS SITUATION

Expenses Cut to Minimum, Future Brighter, He Says

In what he stated would be his last public address for some time owing to doctor's orders, Prime Minister F. C. Alderdice of Newfoundland, stated that the Royal Commission, which has been investigating affairs in the Dominion, knew that at least $2,500,000 had been lopped off expenses and if no money was available to pay bondholders in June the country could at least look them in the face and say "take what we have, we have done our best."

The prime minister was speaking at a dinner of the Llewellan Club in St. John's and in the course of his address he sketched a much brighter picture for the island Dominion than has been seen for some time. He stated that the year had got off to a good start with an excellent seal fishery having a value close to $200,000 and that cooperation was evident everywhere in an effort to start the wheels of industry moving again.

Relief Problems Acute

Relief problems have been acute during the past two winters, he said, but he was hopeful that with the aggressive campaign being carried on by agricultural societies as well as the government, enough money would be made this summer either from the land or from the sea to tide a great majority of the unemployed over the coming winter.

In a statement made later to the press, the prime minister announced that the government had decided to release $400,000 to pay outstanding dole charges. This action of the government would be made without the necessity for borrowing, he said. The inference drawn from the prime minister's announcement is that the treasury is making better collections than was expected some time ago.

BACKWARD SEASON FOR FRUIT CROPS ACROSS CANADA

Plants and Trees Have Generally Wintered Well, However

Reports received from the various areas of production throughout the Dominion indicate that, with a few exceptions, fruits have wintered well, according to the first of an annual series of monthly bulletins issued by the Fruit Branch of the Department of Agriculture. A comprehensive survey of the situation is impossible at the present time owing to the early date and the backward season but conditions generally have been satisfactory, with the possible exception of some sections of British Columbia, the bulletin states.

Strawberries and raspberries are about a week or ten days later than last year in eastern Canada but show prospects of a good season. Tree fruits in eastern Canada have not yet developed to a point where an estimate can be made but are generally expected to be lighter in British Columbia. Area of most fruits is higher than a year ago.

Strawberries—Nova Scotia plants wintered well but the season will be somewhat later than last year. Acreage is increased 6 per cent. In New Brunswick, Quebec and Eastern Ontario the season is about a week or ten days late but May 1 indications were for a fairly heavy bloom. In western Ontario a medium to heavy bloom is indicated and the season is expected to be about the same as last year. A decrease of about 8 per cent in acreage is reported from British Columbia. Present growing conditions indicate first shipments about the middle of the last week of May.

Raspberries—The season in Nova Scotia and New Brunswick is not advanced enough to indicate prospects but canes appear to have wintered well. A medium to heavy bloom is expected in Ontario, where acreage has been increased. Some sections of British Columbia suffered from cold weather in the early winter. Indications are that acreage and bloom will be about the same as last year although the season is about ten days later.

Other Fruit Crops—Cold weather in Nova Scotia and New Brunswick has retarded growth. In both these provinces and in Quebec warm weather in early May has made up to some extent for the lateness of the season. In eastern and western Ontario fruit trees have wintered well and adequate supplies of blossoms are expected on pears and cherries. Some damage to peach trees is reported from Essex and Kent districts of Ontario.

Early spring weather was backward in British Columbia but recent warm weather is expected to place the season on a level with other years. Apple prospects are for a good crop though hardly up to last year's standard. Frost injury in the Oliver district will result in a light crop of apricots, peaches and plums, it is felt. Apricots over the whole province will only be about 50 per cent of last year's crop while peaches will be about the same, it is stated. Cherry prospects are exceptionally good in all districts.

Argentine Exchange Body Now Has Power to Probe

Argentina's exchange control commission has obtained wider powers to regulate transactions in exchange. This consists of the right to examine books of banks, exporters, importers, exchange dealers, brokers and other persons handling foreign currencies, and gives them power to withhold shipping permits from exporters who have failed to comply with the regulations. This authority was given by a decree of March 14.

Authority is given to regulate operations in foreign banknotes and other foreign exchange medium by exchange dealers, etc. A regulation subsequently issued by the commission provides that the selling rate for bank notes must never exceed the official rate quoted by the Bank of the Nation by more than 10 per cent.

The reason for this enlargement of powers of the commission is that certain exporters have not been selling all the exchange they obtained to authorized banks. They have been bootlegging it at higher prices. It also appears that transactions in foreign bank notes have been widely arranged without the sanction of the commission.

Pacific Mills Starts New Line Fibre Containers

From Our Own Correspondent

VANCOUVER. — Pacific Mills, Ltd., one of the larger newsprint mills on the Pacific coast, has started manufacture of an important sideline in the form of fibre containers, which are to be used extensively by the sugar, fruit and dairy industries of British Columbia.

Entry into the fibre container field, which in the past has been monopolized on this coast by eastern factories, was accomplished by Pacific Mills through investment of some $127,000 in new plant and equipment.

The salmon industry will make extensive use of the new fibre board containers for the first time this year, displacing wooden boxes which require higher freight charges.

A part of the Okanagan apple crop will also be shipped in fibre containers this season. Similar packing was tried with success in handling of the Wenatchee crop last year.

Frank N. Youngman, vice-president of Pacific Mills with headquarters in Vancouver, has been promoted to the vice-presidency of Crown-Zellerbach Corporation with offices in Portland, Ore., and with supervision over sales of Crown-Zellerbach throughout the Northwest.

POPULATION IN 1932 TOTALLED 286,343

Newfoundland Gained 5,000 from 1931 — Death Rate High

Population of Newfoundland at Dec. 31, 1932, is given as 286,343, an increase of nearly 5,000 from the previous year, according to the annual report of the Registrar General of births, marriages and deaths tabled in the House of Assembly recently. The natural increase is 3,192 while immigration accounted for 1,603. This latter figure is stated to be mainly Newfoundlanders returning from Canada and United States where their means of livelihood have disappeared.

Attention is drawn in the report to the comparatively high death rate in the island Dominion, a figure of 12.91 per 1,000 being recorded for 1932. Although this figure is the lowest in the past ten years it compares unfavorably with a United Kingdom figure of 11.4 in 1930 and a Canadian figure of 11.3 for 1929. In some sections of Newfoundland this death rate is considerably higher, Carbonear, for example, having a rate of 20.08 per thousand and Port de Grave and St. George's 17.87 and 17.51 respectively.

The birth rate compares favorably with both Canada and the United Kingdom, the figure of 24.10 per thousand being higher than the 23.5 recorded in Canada in 1929 and 15.8 in the United Kingdom.

H. R. MACMILLAN IS NEW PRESIDENT OF B. C. PACKERS

Aemilius Jarvis Retires From Board After 31 Years

From Our Own Correspondent

VANCOUVER.—H. R. MacMillan, lumber exporter and capitalist of Vancouver, is the new president of B. C. Packers, Ltd. Stanley Burke, retiring president, becomes vice-president, and C. C. Thomas continues as managing director. J. M. Buchanan is secretary.

Following directors were elected: F. E. Burke, George Kidd, J. P. D. Malkin, S. K. Murray, J. H. Gundy and A. H. Williamson.

The affairs of the company are now centred almost entirely in Vancouver, and partly for that reason Æmilius Jarvis has retired from the board after thirty-one years' association with the company. He was unable to come West for the annual meeting, which was held here May 9.

In his report to the shareholders Mr. Burke announced that the pack for 1932 was 359,153 cases compared with 105,546 cases in 1931 and 1,059,408 cases in 1930. The inventory carryover is now normal and markets during the past year have been well maintained although prices for lower grades are exceedingly unsatisfactory. The estimate for the 1933 pack is approximately that of 1932.

Profit and loss account, after providing for normal depreciation, shows substantial loss and although far from satisfactory it is an improvement over 1931, due to the fact that while heavy inventory losses were sustained this was not the case in 1932. Rigid economy has been practised and costs have been curtailed to such an extent that they cannot be wisely continued at such a low figure, in the opinion of Mr. Burke.

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Fault is Found in Sask. Debt Act

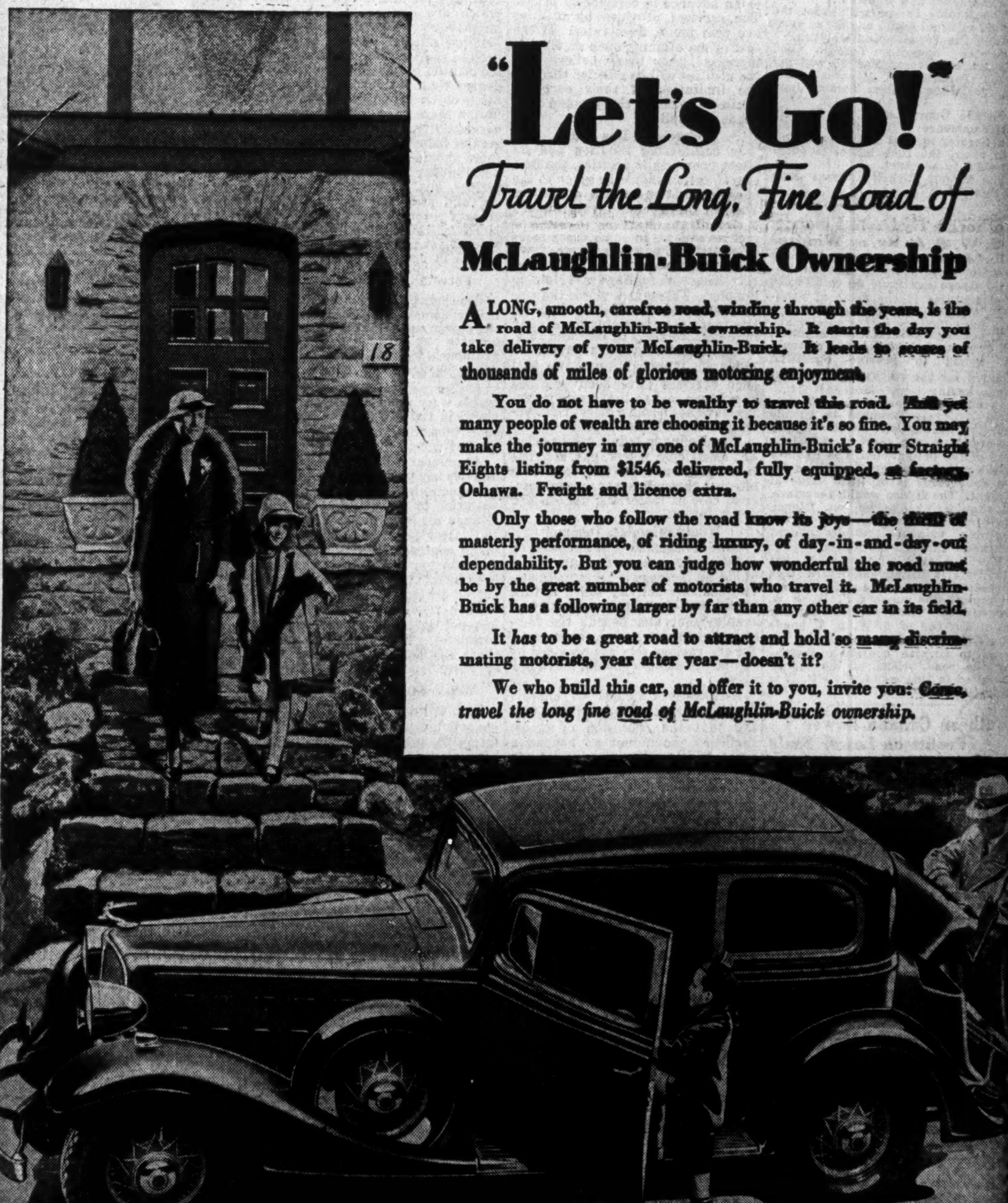
From Our Own Correspondent

REGINA.—A. J. Hosie, previously debt adjustment commissioner of Saskatchewan will continue in office as chairman of the new commission. Austin Needham, Saskatoon, and Thomas Graham, have been named as his colleagues.

The announcement came at the very time that the constitutionality of the greater part of the Act was denied by a district court judge on the ground that it attempted to interfere with the exclusive jurisdiction of the Dominion in matter of bankruptcy. As a result of that decision it is thought that a test case on the Act will be carried to the Appeal Court at an early opportunity.

In the meantime controversy continues in the province as to the real effects of the legislation constituting the board in its present form and with its present powers. Immediately after adjournment of the legislature the Government was criticized by those who had desired a more drastic Act for dropping those provisions which had given the board the right to cut down the amount of a creditor's claim, and it was claimed that the Act, shorn of those powers, was not a "debt adjustment" act at all.

One of the members of the Government, the Hon. Howard McConnell, Minister of Municipal Affairs, continues to assert however that in spite of the deletion of the clauses in question, the board has real powers to reduce debts. The board, he is quoted as saying, "can say to the creditor 'knock off some of this debt,' and if he won't do it the board can say 'we won't let you collect any of it.' He can be prevented from collecting for an indefinite time."



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McLAUGHLIN-BUICK EIGHTS

BEAUHARNOIS NEW MORTGAGE OFFERED AT 95

Operating Unit's Bonds Now Being Sold to Debenture Holders

From Our Own Correspondent

MONTREAL. — Debenture holders of Beauharnois Power Corp. are now being offered first mortgage bonds of the Beauharnois Light, Heat and Power Co. on the terms outlined in the plan of reorganization put forward by Montreal Light Heat and Power Consold. and accepted by the debenture holders.

Holders of the debentures have the right to subscribe and purchase Beauharnois Light, Heat and Power Co. 5½ per cent first mortgage bonds to the extent of 45 per cent of the principal amount of debentures held. Thus a holder of $1,000 of Beauharnois Power Corp. debentures can take up $450 of the operating company's bonds at a price of 95 for each $100 principal amount.

Will Receive Stock

Purchasers of the new first mortgage bonds receive in addition fully-paid and non-assessable common shares of the capital stock of Beauharnois Power Corp. to the extent of 8 shares for each $450 of Beauharnois Light, Heat and Power Co. bonds purchased.

As $100 is the lowest denomination in which the new first mortgage bonds will be issued, holders of the present debentures are entitled to purchase the new bonds for the nearest $100 principal amount to which they are entitled to subscribe on the basis mentioned above. The purchase price is payable on July 2, 1933, and accrued interest from July 1, 1933, at the rate of 5½ per cent per annum will be charged on payments received after July 2.

C. S. L. Issue Schedule on St. Lawrence Operations

From Our Own Correspondent

MONTREAL.—Passenger traffic in the St. Lawrence and contributory waters will be started by Canada Steamship Lines about the middle of June. For the first time in its history, the company will operate a boat every day to the Saguenay. The service, starting July 13, will be maintained by three boats, each of which will make two trips a week.

The Quebec-Montreal service will begin on June 17 from both ports the same night. The Saguenay service will start on June 23, when the St. Lawrence will take the run. The Quebec and Tadoussac will ply between Quebec and Montreal.

The Rapids Prince will shoot the rapids as usual daily, as well as completing the Toronto-Montreal run.

Service between Toronto and Niagara commences May 20, and between Toronto and Montreal from Montreal June 25, from Toronto June 24.

On the Upper Lakes, the Noronic will commence to run from Detroit and Sarnia, to Port Arthur and Duluth about the time school is out—June 23, to be exact.

The Manoir Richelieu opens June 23 this year.

Authorize Hydro to Finance S. W. & A. Ry. at Windsor

Legislation recently passed in the Ontario house provides that the Ontario Hydro can issue up to $500,000 of debentures in the name of Sandwich, Windsor and Amherstberg Ry., as a joint liability on the municipalities, but with government guarantee. All or part of these debentures could be issued to provide operating charges for the railway, the present funds having been exhausted.

In effect this means that the Ontario Hydro is prepared to gamble that the railway will be able to pay its own way in a short time to take care of the obligations. The liability of the railway and municipalities for the debentures is of little value at present. The Hydro would, therefore, be shouldering the burden. Money could not be raised by issue of debentures without the government guarantee through the Hydro.

The legislation also provides that the Ontario Municipal Board may appoint three men as a control board to replace the present S. W. & A. Commission. The Hydro has already taken $500,000 of S. W. & A. bonds which it has pledged as security for loans to furnish operating charges for the road. None of the money borrowed in this manner is left, it is understood.

Southern Canada Power Profits on Lower Scale

From Our Own Correspondent

MONTREAL. — Gross earnings of Southern Canada Power Co. totalled $166,092 during April last, a decrease of $10,995 from the $179,087 reported a year ago. Operating expenses were reduced from $65,463 to $61,574, leaving net earnings for April, 1933, at $106,518 or $7,106 less than for the same month in 1932.

Cumulative returns for the seven months ended April this year show gross revenues at $1,263,457. This compares with $1,346,498 for the corresponding period of the previous year. Operating expenses were lowered by $59,864 to $442,290 for the past seven months, leaving net operating income at $821,167, or $23,177 less than for the same seven months of 1932.

Alberta Favors Radios

According to the final figures of the 1931 census Alberta had .4,368 radio sets in use that year.

Roosevelt Plan to Tax Waterway Tonnage Opens Way For Canal Tolls in Canada

Avowed determination of Franklin D. Roosevelt to explore the possibilities of a federal tonnage tax on vessels using waterway facilities in the United States in order to meet maintenance expenses of these facilities now paid by the Government, makes the question of canal tolls by Canada on the Great Lakes system a matter of immediate and far-reaching importance.

Both Canada and the United States spend millions of dollars annually on maintenance and repair work alone to provide canal and inland waterway facilities for shipping. With perhaps the exception of the Panama Canal (a federally-owned property operated on a profit basis by the United States Government) no moneys are collected by either Canada or the United States to offset even out-of-pocket expenses—let alone to attempt to pay capital charges on the huge investment represented by canal and waterway facilities.

Huge Tonnage Uses United States Facilities

In the United States, for instance, the actual tonnage carried over inland waterways amounts to between 200,000,000 and 250,000,000 tons annually, valued at between $3,000,000,000 and $4,000,000,000. In 1931, for instance, no less than $83,000,000 was appropriated for the maintenance, repair and improvement of existing river and harbor works. Even for the fiscal year beginning July 1, 1933, when such expenditures could reasonably be considered as having been cut to the bone, approximately $40,000,000 is appropriated for this purpose, of which $24,000,000 will be applied as maintenance and repair expenditures and the remainder for improvement.

In Canada the total investment in canals is shown in federal balance sheets at $245,000,000 as at March 31, 1932. This includes moneys spent many years ago on canal systems now obsolete, such as the old Welland system, but is exclusive of the $80,000,000 spent since Confederation on repairs, improvement, maintenance and operating expenses.

Apart from capital expenditures entirely, these canals cost Canada a steadily increasing annual sum which has averaged between $2,500,000 and $3,000,000 annually for the past decade. The highest expenditure was in 1931 (fiscal year) when the cost was $3,700,000. Pressure of governmental economy reduced this figure to under the $3,000,000 mark the following year, but with the new Welland property now in active operation it is reasonable to suppose that this annual sum will be greater than in the past and will average at least $5,000,000 annually in future.

Common Action Would Remove Important Obstacle

If President Roosevelt's plan proves feasible and is put into operation, a major obstacle to the charging of canal tolls on the Great Lakes system by Canada will be removed. As now proposed, the Roosevelt plan is considerably broader than a mere canal toll, and apparently aims to reimburse the Government by a reasonable charge for all federal services in connection with river and harbor works throughout the United States. As far as Canada is concerned, the fact of primary importance is that such a plan would certainly include a small tonnage tax on the federally-owned St. Mary's Canal at Sault Ste. Marie, which would immediately bring into relief the whole question of canal tolls on the Great Lakes and St. Lawrence system.

As will be discussed more fully in a subsequent article, it is only a matter of 30 years since canal tolls were charged by the Dominion Government at Ottawa, and in the opinion of high federal officials there is no legal or international barrier to their being again introduced, provided United States and Canadian vessels receive equal treatment. One of the prominent objections raised when tolls were abolished in Canada in 1903, was the fact that trade was being diverted because no tolls were imposed by the Erie barge canal which was said to compete actively for Canadian commodities which might otherwise pass through the Welland or St. Lawrence canals. Introduction of tonnage tolls by the United States would immediately remove that objection and would pave the way for joint international action. Such action would play a part in stemming federal deficits on both sides of the line, without any undue burden on shipping, which now competes on an unfair basis with other forms of transportation.

That there is a considerable body of opinion in the United States and Canada for such a move is indicated by recent discussion in the House of Commons at Ottawa when the matter of canal tolls in this country received strong support from leading members. The following editorial reference in "The Traffic World" (April 8, 1933) indicates a favorable opinion to President Roosevelt's tonnage tax:

"President Roosevelt is taking a step in the right direction in exploring the possibility of the federal government assessing tonnage taxes on vessels that use waterway facilities provided by the government to meet, approximately, the maintenance expenses for these facilities that are paid by the government. It is the president's view, we understand, that to assess a small tonnage tax on everything that floats on waterways provided by the government would be a reasonable thing to do. In the president's view, this would not be a burdensome tax, it is understood.

"The federal government spends millions of dollars annually on maintenance work on harbors and channels, intercoastal waterways, and inland waterways. The army engineers estimated, for example, that $24,441,029 could be profitably expended in the fiscal year beginning July 1, 1933, for maintenance of existing river and harbor works, based on a total appropriation of $39,388,129. The remainder would be used for improvements. The waterway maintenance work makes possible the use of the harbors, channels and waterways by vessels and barges.

"The policy of the government has been to assess the cost of this maintenance work against the federal treasury. The thought that the government should be reimbursed for such expenditures has been expressed before, of course, but President Roosevelt, in recent years at least, is the first president to indicate reception of that thought with approval. He is concerned of course, about the cost of government and wishes to reduce that cost as much as possible. Therefore he is investigating services performed by the government with a view to ascertaining whether it would not be proper to make reasonable charges for them."

Inflationary Programme If It Promoted Business Would Benefit Utilities

From Our Own Correspondent

MONTREAL.—Inflationary talk in the United States and Canada has given rise to many theories and surmises as to possible effects on business. Public utilities have been frequently mentioned as being particularly vulnerable to inflationary measures.

Inflation, or reflation, presupposes an advance in commodity prices. The services provided by utilities are paid for at fixed rates. If the cost of maintaining such services is increased, then many believe that the utilities will be affected through the limitation of their earnings available for fixed charges and dividends on capital.

Depression Has Hurt

In considering inflation and its effect upon public utilities, the first consideration should be given to the current position of the operators. The last three years have witnessed a shrinkage of utility operations and revenues. In some cases sales of electricity, power, gas, etc., have been maintained or actually increased. These exceptions are few in number. Taken as a whole the volume of service provided by the utilities today is appreciably lower than in the record years of 1928 and 1929. Where greater services have been rendered, investigation shows that such services have been provided at a lower cost so that gross revenues have not borne a direct relationship to the volume of sales.

The decline in public utility sales, i.e., electricity, power, gas, etc., has been greater than the economies effected through lower wages, lessened cost of materials, upkeep and depreciation.

Would Stimulate Demand

If it is assumed that adoption of inflationary measures will bring about an increase in manufacturing and business activity which in turn would provide a greater amount of employment and benefit the individual's earning power, the demand for the various services provided by the public utilities should move upward.

Advocates of inflation or reflation have been especially careful in saying that the extension of credit facilities should not go beyond a point which will restore prices to the 1926 level. Such control being possible and business, particularly that of the utilities, being restored to former levels, what then would be the position of the utilities with their fixed rate schedules?

A full answer to this question can only be given by examining several phases of the utility situation.

Would Add to Costs

A return of the price level to the 1926 base, namely 100, would undoubtedly mean an increase in the cost of business handled by the utilities. Supplies and materials would advance in value. There also would be an insistent demand, which would have to be met, for increased wages and salaries of workers employed by the utilities.

There is no gainsaying the fact that the utilities' operating costs would increase if inflation were carried out and commodity prices restored to the 1926 level.

Benefits to Offset

In order to offset an increase in operating costs, the utilities would have to receive compensating benefits. These benefits would take certain tangible and intangible forms, which are discussed more freely hereafter.

It has already been said that the drop in services or sales handled by the utilities has declined to a greater degree than the reduction in operating costs. If in the wake of inflation there is an increase in business activity, more employment and greater industrial activity, it follows there should also be an increase in demand for electricity, gas, telephones, etc., by domestic, commercial and wholesale users. The increased revenues accruing from the increased services would compensate, if not more than offset, an increase in operating costs.

Forestall Rate Adjustments

Another potent reason why the utility companies—more especially the power companies—would not be adverse to an inflationary programme is seen in the present status of contracts.

The majority of public utility contracts were made in the era which ended in the fall of 1929 and were based on prices, profits, etc., existing at that time.

At present price level and level of activity most contracts are extremely vulnerable. There is a growing agitation in the United States and Canada for lower rates. Several of the large producers have had to make contract readjustments with their larger customers who have been unable to meet the charges incurred during the boom period.

Such readjustment of schedules has not extended to the domestic consumer. But even in this class there has been an insistent and increasing demand for lower rates.

Would Strengthen Contracts

The utilities have found it extremely difficult to combat this agitation for lower rates. While they have many arguments in favor of the maintenance of existing schedules, it is virtually impossible to convince the consumer that he should not be getting his electricity, gas, telephone and other utility services for less cost when the value of all commodities have declined, while his own purchasing power has been limited.

An inflationary programme, causing a return to the level of 1926, would only restore the contracts to the position that they were in when made.

Help Eliminate Surplus

Another point to consider in relation to the power utilities, is that the decline in demand for service has created a surplus, the carrying cost of which contributes a burden to many operators. An inflationary programme causing an increase in demand to take up this slack would be of greater importance to the operator concerned than an increase in operating costs.

From an examination of the present situation it would appear that a policy involving an expansion of credit would strengthen rather than weaken the position of the utilities. They cannot afford to make the concessions demanded for lower rates if sales continue to decrease more rapidly than operating expenses. The increased cost of operations is regarded as negligible if contracts can be restored to good standing, agitation for lower rates quieted and sales brought back to the level prevailing before the crash in the fall of 1929.

All of the above is based upon the assumption, yet to be proven, that credit or currency inflation will permanently stimulate business.

Member Research Council

JULIAN C. SMITH

Vice-president and managing director of Shawinigan Water and Power Co. who has been made a member of the National Research Council.

Jamaica Public Services Earnings on Lower Scale

From Our Own Correspondent

MONTREAL. — Somewhat lower operating and net income is reported by Jamaica Public Service for March last compared with the same month a year ago. Gross earnings amounted to $65,666, a drop of $2,907 from a year ago. After providing for operating expenses interest and amortization, there remained a balance of $14,383 as against $17,208 in March, 1932.

For the twelve months ended March, 1933, gross income totalled $784.563, a decline of $29,486 from the preceding year. Prior charges were on a lower scale, leaving a balance of $210,085 for the past year. or $8,005 less than for the twelve months ended March, 1932.

Public Utility Earnings

MEXICO TRAMWAYS, LIGHT & POWER GROUP OF COMPANIES

Mexico Tramways & Subsidiaries

(Canadian Currency)

March:	1933	1932	Decrease
Gross earn...	253,520	278,059	24,539
Oper. & deprec. expenses ...	323,002	345,314	22,312
Net earnings .	*69,482	*67,255	2,227
Aggre. gross from Jan. 1.	723,150	914,812	191,662
Aggre. net from Jan. 1.	*228,995	*180,997	47,998
Mexican Light & Power & Subsidiaries			
Gross earn...	793,699	796,561	2,862
Oper. & deprec. expenses ...	498,439	495,943	†2,496
Net earnings .	295,260	300,618	5,358
Aggre. gross from Jan. 1.	2,379,342	2,716,454	337,112
Aggre. net from Jan. 1.	900,526	1,088,776	188,250

†Increase. *Deficit.

Jamaica Public Service Limited and Subsidiary Companies

	Month of March, 1933	March, 1932
Gross earnings	$65,666	$68,574
Oper. exp. and taxes ...	41,991	42,040
Net oper. revenue	23,675	26,534
Interest and amortization	9,292	9,326
Balance	14,383	17,208
	12 Months Ending Mar. 31, 1933	Mar. 31, 1932
Gross earnings	784,568	814,050
Oper. exp. and taxes ...	462,815	487,302
Net oper. revenue	321,748	326,748
Inc. from other sources†	—o—	3,911
Balance	321,748	330,659
Int. and amortization ..	111,663	112,569
Balance	210,085	218,090

Condensed Surplus Statement

Prior earned surp.	219,871	176,675
Balance as above	210,085	218,091
	429,956	394,766
Retirement reserve§	90,000	90,000
Balance	339,956	304,766
Net direct charges	28,271	‡16,105
Balance	311,685	320,871
Dividends:		
J. P. S. Co., Ltd.:		
Preference	38,500	38,500
Preference "B"	17,500	17,500
J. P. S., Ltd.:		
Common	45,000	45,000
Earned surplus	210,685	219,871

* Decrease. ‡ Credit.
† Interest on funds for construction purposes.
§ Amount set aside by directors during the twelve months' period.

During the 9½ years under Stone & Webster supervision, the company has expended for maintenance, which is included in operating expenses, a total of 10.35 per cent of the entire gross earnings over this period.

West Kootenay Power's Goat River Project Advances

From Our Own Correspondent

MONTREAL. — West Kootenay Power and Light Co., subsidiary of Consolidated Smelters, has progressed with its hydro-electric development at Goat River Canyon, near Creston, B.C., to a point where the foundation for the cement dam is now completed. Construction of the power house is expected to begin soon.

WHEAT INCREASES CANAL TONNAGES

April Report of Traffic is Higher Than Last Year

Increases in the number and tonnage of vessels using the St. Lawrence and Great Lakes canal systems were reported in April as compared with a year ago. Heavier wheat movement was largely responsible for the higher tonnage although a number of other commodities also recorded increases.

Canadian and United States locks of the Sault Ste. Marie canals reported 338 vessels with a tonnage of 679,129 in 12 days of navigation as compared with 268 vessels aggregating 400,537 tons in 14 days last year. Wheat cargoes totalled 12,300,000 bushels compared with 5,300,000 last year, soft coal amounted to 152,538 tons compared with 27,900 tons and iron ores weighed 81,556 tons as against 39,522 tons.

Vessels using the Welland canal numbered 398 compared with 342 in April a year ago, the comparative tonnages being 596,158 and 453,313. Wheat again was considerably higher at 271,000 tons compared with 182,000 tons, soft coal totalled 135,250 tons compared with 110,000 tons, while tonnages of corn, gasoline, sugar, paper and general merchandise were also higher.

St. Lawrence canals reported 377 vessels in April compared with 233 a year ago, tonnages being 315,212 and 199,785 respectively. Wheat was nearly 80,000 tons greater at 241,334 tons, while merchandise was more than double the April, 1932, figure at 27,832 tons.

Maritime Telephone Seeks Less Depreciation

From Our Own Correspondent

MONTREAL.—Maritime Telegraph and Telephone Co. has made application to the Nova Scotia Board of Public Utilities for permission to effect substantial reductions in its depreciation fund. Decreases ranging from 10 to 40 per cent are asked for items covering depreciation through inadequacy and obsolescence, while the company seeks reductions of from 2 to 5.25 per cent under the head of general depreciation.

Necessity for the proposed reductions had been brought about, according to J. H. Winfield, vice-president, through a decrease in the number of subscriber stations and loss of toll business.

Bradshaw Heads Committee for C. S. L. Bondholders

From Our Own Correspondent

MONTREAL.—At a meeting of the Bondholders' Protective Committee of Canada Steamship Lines first and general mortgage bonds, Thomas Bradshaw was appointed chairman of the committee and E. G. Smith, 355 St. James St. West, Montreal, secretary.

The committee, which is proceeding with the study of the situation in the interests of the bondholders, is comprised of Thomas Bradshaw, Toronto, chairman; A. D. Cobban, Toronto; Norman J. Dawes, Montreal; William Ferguson, New York; Andrew Fleming, Montreal; Hon. D. O. L'Esperance, Quebec; A. J. Nesbitt, Montreal; and F. L. Whitaker, Waterloo, Ont.

Montreal Power List Shows Gain in Shareholders

From Our Own Correspondent

MONTREAL. — Stock register of Montreal Light, Heat and Power Co. as of March 31, 1933, reflects a further increase in the number of the company's shareholders. The total Canadian holders at the date mentioned was 32,181 compared with 31,182 at the end of the preceding quarter and 29,301 at March 31, 1932.

LEGARE LOSES ON OPERATIONS SHOWS BANK LOAN

Sales and Collections Are Lower Than in 1932; Effects Economies

Reduced sales and increased difficulty with collections caused P. T. Legare Co. an operating loss of $247,919 in 1932 which was increased by provision for depreciation and interest charges to $394,541. In 1931 the company showed an operating profit of $214,484 and after fixed charges covered full preferred dividends. The company operates chain stores in eastern Canada, principally Quebec, selling home furnishings and farm equipment. Sales are understood to have dropped over 30 per cent in 1932 from the 1931 level, while loss on repossessions was heavy.

Outlook is uncertain but operating costs have been reduced. The extent to which surplus was reduced by adverse conditions in 1932 is shown in the following comparison of 1932 and 1931 income and surplus accounts.

Income and Surplus Account As at December 31

	1932 $	1931 $
Net earnings	*247,919	214,484
Less: Deprec.	45,000	65,000
Bond interest	59,622	61,222
Debenture int.	42,000	42,000
Net profits	*394,541	46,262
Less: Pfd. dividends .	10,694	43,148
Surplus for year	†405,135	3,114
Add: Prev. surplus ..	1,172,432	1,175,369
Surplus forward	773,247	1,178,482

*Loss. †Deficit.

Working capital is reduced as a result of the loss on operations but still remains substantial if due reserve has been made for accounts and notes receivable, which are carried at $2,946,230 as compared with $3,279,170 in 1931. Investments at book value have been increased to $421,852 from $137,965 but no information as to these investments is given and no details as to market value. Cash is down to $62,450 from $121,525; merchandise inventory to $942,671 from $1,109,310. Secured bank loan is shown at $570,200, new item; while accounts and bills payable are down to $633,878 from $1,023,441. Deposits are down to $220,276 from $259,202, while accrued interest on bonds and debentures is shown at $63,142. Working capital is as follows:

Working Capital Position as at Dec. 31

	1932 $	1931 $
Current assets	4,385,387	4,658,035
Current liabilities	1,487,496	1,314,204
Working capital	2,897,891	3,343,831

Fixed assets are carried at $2,777,456. There remains outstanding $993,100 of 6 per cent first mortgage bonds and $700,000 of 6 per cent debentures. Reserve for depreciation and provision for possible loss have been reduced to $990,183 from $1,017,544. There is $616,400 of preferred stock and 100,000 shares of no par common outstanding.

TAX ARREARS UP IN SASKATCHEWAN

Due to Diminished Returns of Farmers and Business Men

The financial standing of many Saskatchewan municipalities has been very adversely affected since the depression started in 1929, according to the annual report of the provincial department of municipal affairs for the year ended April 30, 1932. Percentage of taxes collected between 1929 and 1931 dropped from 63.6 per cent to 31.17 in rural municipalities; from 69.02 per cent to 52.35 per cent in villages; from 64.77 per cent to 52.11 per cent in towns, and from 73.96 per cent to 64.66 per cent in cities.

This is due to the greatly diminished returns received by farmers and business men, the report states. There is a corresponding increase in bank and other indebtedness of urban and rural municipalities. This is especially true of municipalities in the southern section of the province where crop conditions have been extremely unsatisfactory during the last three years.

The report states that, previous to the present depression, there had been an increasing tendency for ratepayers in various municipalities to allow their taxes to go unpaid until their lands were sold under the Arrears of Taxes Act. A considerable percentage of taxes were therefore carried forward as arrears each year. The failure to pay taxes promptly caused increases in taxation above what would otherwise have been necessary. This applies in the current year, the report says, and applies with particular force to rural municipalities.

More Salt Produced

Commercial salt production in Canada reached a total of 9,884 tons in January, as compared with 9,833 tons in December and 9,723 tons in January, 1932.

Dalhousie Newsprint Mill Operations Up

From Our Own Correspondent

MONTREAL.—New Brunswick International Paper Co. is reported to have speeded up activities at the Dalhousie plant, three machines having been placed on a five-day-a-week basis. A steamer from England is expected at an early date to take a cargo of newsprint and with the stock on hand down to a low mark, it is thought that production will be maintained at something over 50 per cent of capacity. The Dalhousie mill is a four-machine unit with a rated capacity of 500 tons daily.

Price Bros. and Co. Reopen Rimouski Sawmill Plant

From Our Own Correspondent

MONTREAL.—Price Bros. and Co. have reopened their sawmill at Rimouski. The mill closes each year in November, reopening in May to begin the sawing of the winter's cut floated down the river from the company's timber limits. It is announced that the Price mills at Price, Matane and Rimouski will export 25,000,000 feet of lumber to the British market through the port of Rimouski during the summer. It is expected that the first consignment will be made about the third week in May.

CONSISTENT EARNINGS

In each year since the issue of its bonds in 1929 McColl-Frontenac Oil Company has reported net earnings equivalent to over three times bond interest requirements.

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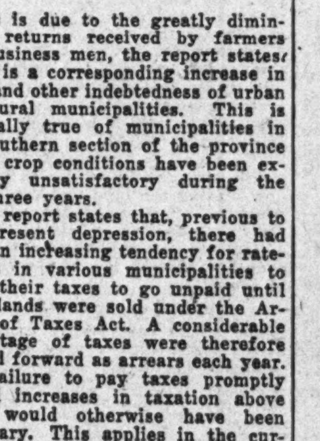

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THE TRANS-CANADA TELEPHONE SYSTEM

News of Investment Markets

WESTERN BONDS CONTINUE STRONG HIGH-GRADES UP

Lowering Interest Rates, Greater Confidence Are Reasons

Despite unsatisfactory budget positions of the government, bonds of the four Western Canadian provinces have continued to advance sharply. Greater confidence in the economic outlook, due to sustained higher prices for wheat and other grains, is the chief cause of this advance.

A scarcity of bonds has also contributed to the rise. It is less certain that the lowering of interest on deposits in banks and trust companies by one half per cent has contributed to the result.

There is evidence, however, that bonds of the highest grade have already benefitted from the change in interest rates. The yield on seven selected Canadian gilt-edged bonds, as compiled by The Financial Post, dropped from 4.694 per cent, on April 4, to 4.655 on May 1, and had reached 4.566 per cent on May 15. This is the lowest yield basis for this group of seven bonds since Feb. 16. The change in interest rates on deposits, as well as increased public confidence in general conditions, are considered the main reasons for this improvement in the market.

The changes in price of four leading Western bonds is shown in the following table:

Approximate Bid Prices of Representative Bond Issues of Four Western Provinces

	Apr. 4	May 8	May 15
Manitoba 6%, 1947 ..	93	95	97½
Sask. 5½%, 1952 ...	85	88	91½
Alberta 6%, 1947 ...	93½	96½	97½
B.C. 6%, 1947	95	97	98½

The advance in The Financial Post's group of seven gilt-edged Canadian government bonds is shown from the first of the year in the following table:

Average Yield on Seven High Grade Canadian Government Bonds Since Jan. 3, 1933

Date	Aver. Yield %	Date	Aver. Yield %
Jan. 3	4.624	May 1	4.655
Jan. 16	4.551	May 3	4.644
Feb. 1	4.597	May 5	4.610
Feb. 15	4.524	May 8	4.606
Mar. 1	4.624	May 10	4.586
Mar. 15	4.681	May 12	4.570
Apr. 1	4.670	May 13	4.570
Apr. 15	4.624	May 15	4.566

ALBERTA CUTS 9 MOS. DEFICIT BY $3,298,852

Statement Includes Cash Receipts and Payments Only

A decrease in Alberta's deficit in cash receipts and payments on income account, amounting to $3,298,852, is reported by J. C. Thomson, provincial auditor, for the nine months ended Dec. 31, 1932, compared with the same period of 1931. In making this favorable report, the auditor emphasizes that the results "are subject to all the limitations of a purely cash statement." It omits expenditure incurred but not paid and revenue earned but not collected.

The changes in the figures are shown below:

Cash Receipts and Payments of Alberta in Nine Months Ended Dec. 31

	1932 $ 000's	1931 $ 000's	Change $ 000's
Receipts	11,444	9,176	+2,268
Payments	12,839	13,870	—1,031
Deficit	1,395	4,694	—3,299

The reduction of the cash receipts and payments deficit as shown in the statement is due to a combination of increased receipts and reduced payments. Increased collections of taxes, due largely to new and higher levies, account for a large part of the increased receipts. Receipts were also swelled by higher Dominion subsidy, higher license collections and increased refunds of previous expenditures.

Reductions in payments were largest in the public works department, attorney-general's department, lands and mines department, agricultural department, and public health department. Payments were higher on public debt, treasury department, and education department.

Increases and Decreases in Items of Cash Receipts and Payments of Alberta in Nine Months Ended Dec. 31

Changes in Receipts	$ 000's	Changes in Payments	$ 000's
Dom. subsidy	+372	Pub. debt	+92
Taxes	+1,148	Ex. Council .	—6
Licenses ...	+313	Legislation ..	—9
Fees	—60	Agric. Dept...	—143
Fines	—25	Att.-Gen'l ...	—376
Trade profit	+55	Educ. Dept. ..	+37
Miscel.	+31	Munic. Dept..	+3
Py't refunds	+445	Prov. Sec'y...	+28
Asset revenue	—16	Pub. Health..	—134
Suspense ..	+5	Pub. Works..	—640
		Rys. & Tel. ..	—16
		Treas.	+284
		Lands - Mines	—146
	+2,268		—1,031

Capital Account Deficit

Receipts and payments on Alberta's capital account in the nine months ended Dec. 31; 1932, resulted in a deficit of $240,495. Receipts amounted to $6,635,455 and expenditures were 6,875,950.

Payments for unemployment relief during the nine months totalled $1,663,484. This is treated as a capital payment in the statement.

The net public funded debt at Dec. 31, 1932, totalled $133,456,311. In addition there was net unfunded public debt of $10,782,882, making a total of $144,239,193. Of the unfunded debt, $3,000,000 consisted of temporary loans.

Mild Inflation May Aid Many Types of Bonds

Second Grade Bonds Stand to Benefit Most — Cut in Interest Rates Accompanying Inflation Might Improve Prices of Gilt-edged Bonds

Holders of both gilt-edged and lower-grade bonds may regard a world wide inflationary movement, intended to raise the general price level, as likely to benefit their interests, as long as the inflation does not carry too far. In the event of a vicious inflation of paper currency, such as was carried on in Germany between 1919 and 1923, all bonds would be worthless. But this is a type of inflation which every sane authority condemns emphatically, and one which is not expected to materialize.

Authorities on economic trends agree that moderate international inflation would be of greatest benefit to bonds of the second grade. This would include industrial bonds, real estate bonds, public utility bonds, railway bonds, etc. There might be included in this class some provincial and municipal bonds, which were once regarded as gilt-edged.

Bonds of the highest grade might be less favorably affected. In Canada they would undoubtedly be depreciated if we were to embark on an inflationary programme independently. Foreign holders would throw their Canadian bonds overboard through fear. But certain types of inflationary operations, conducted on an international scale, might benefit such securities, in the opinion of authorities.

Reversing Deflation

The whole general position of bonds of all sorts was relatively better before the deflationary trend of the present depression first developed. A moderate programme of inflation of credit, which would partially reverse the deflationary trend, should, therefore, tend to restore better conditions for bonds. This is the simplest form of the general argument for moderate inflation as applied to bonds.

A credit inflation is usually started through the market for securities. An attempt is made by central banks to lower interest rates and create bank deposits through purchase of gilt-edged short term securities. This is not possible in Canada because there is no large amount of the right type of securities available. But a definite attempt is being made to lower interest rates. If this attempt is successful, it will raise the price level of gilt-edged securities. Thus in the primary stages a beneficial effect on gilt-edged Canadian bonds may result from what is really a moderate programme of inflation.

If, however, moderate inflation occurs, and Government budgets remain unbalanced, it is probable that gilt-edged bonds would decline.

To the extent that lower interest rates stimulate business and the securities markets, confidence in economic conditions should be created. Canada, of course, cannot accomplish this alone. But if world confidence is created by moderate inflation and low interest rates, it appears improbable that it could have a harmful effect on our gilt-edged securities.

Money Worth Less

Undoubtedly a rise in the general price level of Canada and the world, due to inflationary policies, would lessen the real purchasing power of money. Thus, bonds which bear a fixed rate of interest and are for a fixed amount of money, would be less valuable in terms of goods. But by lightening the burden of the debtor, the credit position of such bonds would be improved. Prices for even the highest grade securities might rise because of the more certain payment of interest and principal.

There are some authorities who feel that inflationary policies cannot improve the money value of gilt-edged securities. Certainly a rise in general price level would reduce the real power of the interest and principal to buy goods. In Canada, however, a reduction in the general interest level may come. This is thought to be the greatest hope for gilt-edged securities during a period of rising prices for goods. Gilt-edged bonds in this country are selling below their highest levels. It would be possible for them to rise in price in accordance with a reduction in interest rates. There is a slight indication that something of this kind has been happening in Canada during the current flurry of rising commodity prices.

Second Grade Bonds Gain

Secondary bonds undoubtedly stand to benefit from a moderate reversal of deflation. This is proved by the advances in prices for Western provincial bonds, industrial bonds and some municipal securities in the last three weeks. The evident fact that higher prices tend to improve industrial earnings, stimulate business, and increase the ability of the debtor to pay, have improved the general price level for bonds which are not of the highest grade.

The weakness which prevailed in Western provincial bonds until recently was due to the adverse economic conditions in the Prairie Provinces. Low prices for wheat and other grains were chiefly responsible. Higher prices for grains have come without much in the way of inflation. As a result, there is a better chance that taxes can be collected from prairie farmers and Western business men. So the bonds have risen sharply. Unbalanced budgets still weigh heavily against Western bonds, but they have improved substantially in spite of it. Increases in grain prices, such as would be expected to result from moderate inflation, have done this. Although the price rise was not the result of inflation, in Canada, its effects on bonds have been similar to what authorities appear to believe moderate inflation would accomplish.

Earning Power Important

Market values for industrial and real estate bonds are more likely to be determined by the earning power of the debtor company than anything else. Higher prices, caused by moderate inflation, would tend to increase this earning power. The fixed charges of debtors would become a relatively smaller item of cost. Included in the rise of general prices there would be an increase in the value of the company's inventories and properties. These are the considerations which have caused a rising market for such securities in Canada in the last three weeks.

In brief, industrial, public utility and real estate bonds are in a similar position, under moderate inflation, to common stocks. Improvement in general business conditions aids such bonds just as it aids stocks.

Depreciated bonds have got that way chiefly because of the lack of earning power. The holders have been sellers because they feared that income would not be sufficient to meet interest and principal when due. The increased purchasing power of the interest has not been able to sustain the price of such bonds. Investors apparently would prefer to be sure that a bond would be able to make payment, even in a depreciated dollar, than that there should be doubt of payment in a dollar which will buy more goods.

The bulk of investment opinion, as expressed by the industrial bond market, appears to feel that it is better to have a dollar which is somewhat easier on the debtor than not. Industrial bonds went down when debtors were faced with the burdensome prospect of trying to meet their dollar bonds in a money which was increasing in its power to buy goods. They have advanced when it appeared that the dollar would be worth less in goods and the debtor's burden lightened.

VOTING CONTROL OF LAKE ST. JOHN TO BONDHOLDERS

St. Lawrence Loses Rights Under Readjustment Plan

From Our Own Correspondent

MONTREAL.—Control of Lake St. John Power and Paper, formerly vested in St. Lawrence Paper Mills as owners of the majority of capital stock, has been placed in the hands of the Lake St. John bondholders' protective committee, who now have the power to nominate 5 of the 7 members on the board of directors.

Lake St. John was promoted by the late E. A. Wallberg, of Toronto. The enterprise was started off under the name of St. Anne Paper Co., changed in 1926 to Mistassini Power and Paper Co. and changed again in 1927 to present name.

In the early part of 1927 Dominion Securities Corp. offered to the public $5,000,000 of first mortgage bonds and $3,000,000 of debentures. These securities were sold largely on a long term contract which the company had with the Hearst newsprint buying organization to take the entire output of the mill.

St. Lawrence Buy Control

Control of all of the preferred stock, amounting to $3,000,000 and 99 246 shares out of a total of 100,000 common shares, was acquired by St. Lawrence Paper Mills, which gave 15,000 shares of its own common stock and $2,000,000 in cash for Lake St. John preferred stock. In June, 1930, control of the property became vested indirectly in St. Lawrence Corp., a holding company for St. Lawrence Paper Mills, Lake St. John and Brompton.

In the fall of last year Lake St. John was unable to meet its obligations in respect to the mortgage bonds and debentures. A protective committee was formed. Investigations made by this committee disclosed the fact that Lake St. John was in danger of losing its timber limits, but upon making a cash payment of $300,000 the committee succeeded in restoring the limits to good standing.

In order to finance this payment it was necessary to issue prior lien bonds to secure bank advances.

In consideration for foregoing certain rights St. Lawrence deposited under a voting trust 51 per cent of all the outstanding preference and common shares giving the protective committee the right to nominate 5 of the 7 members of the board of directors.

TORONTO FACING NEW EXPENDITURE 20 - 25 MILLIONS

New Sewage Plant Needed —Also Has $8,300,000 Unfunded Debt

City of Toronto faces a capital expenditure of 20 to 25 millions on a new sewage disposal plant. W. J. Stewart, mayor of the city, made this announcement last week as a warning to the city council against assuming any other new capital commitments. The works commissioner of the city believes a new sewage disposal system is a necessity in the near future.

Mr. Stewart also announced that the city has $8,300,000 of unfunded capital commitments. This serves in part to confirm The Financial Post's indication that the city may be seeking to borrow seven or eight millions this year. However, in conversation with The Financial Post, Mr. Stewart and Finance Commissioner George Wilson stated that no definite consideration had been given to borrowing in the immediate future. "We have not decided to ask for a single dollar in the near future." Mr. Stewart said.

Mr. Stewart's announcement on unfunded debt was made in connection with the announcement of impending expenditure of 20 to 25 million dollars on a new sewage disposal system.

Borrowing Margin $12,880,000

The city's borrowing capacity, based on provincial statute, leaves an unused margin of $12,880,000 at present, according to a memorandum prepared for the mayor by Mr. Wilson. If the $8,300,000 of capital commitments is funded, and if total assessment continues to shrink, this margin of borrowing power will be substantially reduced. This, of course, does not leave sufficient borrowing margin to take care of the 20 to 25 millions expenditure on the sewage disposal system. Under provincial laws, the city can borrow up to 12½ per cent of the first 100 millions of assessment and only eight per cent of additional assessment.

"As I see it, there are three ways of getting authority to borrow the money which will be necessary for the work." Mr. Stewart told The Financial Post. "First, you can get authority by a vote from the people of the city to exceed the statutory borrowing power for this specific purpose. The excess borrowing would have to be limited to a certain percentage. Second, the authority could, perhaps, be obtained by legislation from the Province of Ontario. Third, the city of Toronto could be given a mandatory order by health authorities to carry out the work."

The second and third methods of authorizing the expenditure do not appeal to Mr. Stewart as the best means. He favors the popular vote method.

Pay Maturities by Taxes

As far as Toronto's financing for the current year is concerned, maturing serial debentures are being met as usual out of the tax rate. This has always been the policy of the city. There is, therefore, no question of refunding any debt, as this is never done by the city. This year's maturities amount to about $6,000,000.

By-laws have been passed authorizing funding of some of the $8,300,000 of capital commitments mentioned above. This is taken by bond dealers to indicate that some financing may take place later in the year.

Tax collections in Toronto have been satisfactory to date, it is understood. At Dec. 31, 1932, some ten million dollars of taxes remained uncollected. But this included arrears of taxes from previous years as well as unpaid 1932 taxes. Since Dec. 31, 1932, some $3,000,000 of the above has been collected.

Prince Edward Is. Issue Sold on 4.99 p.c. Basis

Prince Edward Island 4½ per cent ten-year bonds, in an amount of $250,000, were sold recently to a syndicate headed by the Bank of Montreal and Royal Securities Corporation at 96.18. At the sale price, the issue will cost the province 4.99 per cent. The successful bid was on a 4.85 per cent basis less 1.07.

Tenders were called for 10, 15 or 20-year bonds. Bidding was keen for all three.

The following were the bids for the 10-year bonds.

Bids Received for $250,000 Province of Prince Edward Island 4½'s 1943

Syndicate	Bid
Bank of Montreal, Royal Securities Corp.	96.18
Dominion Sec. Corp., A. E. Ames & Co., Wood, Gundy & Co., Eastern Sec. Corp.	96.149
Gairdner & Co.	95.871
Can. Bank of Comm., C. H. Burgess & Co., J. L. Graham & Co.	95.60
Mead & Co., Nesbitt, Thomson & Company	95.375
R. A. Daly & Co., Matthews & Co., Cochran, Murray & Co.	95.30
Royal Bank	95.17
Bell, Gouinlock & Co., McLeod, Young, Weir & Co., Fry, Mills, Spence & Co.	94.60
McTaggart, Hannaford, Birks & Gordon, Harrison & Co.	94.27

Bond Tenders

Noon, May 22, Palmerston, Wellington County—$12,670, 5½ per cent 15-year serial, $7,407 5½ per cent 20-year serial. Seth Mathers, clerk.

June 1, Village of Markdale—$59,710, 5½ per cent 20-year installment debentures. J. Lucas, clerk. (See announcement on page 13).

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Wabasso Cot. ...	*6%	1947	June 1	105
Mont Louis Seigniory	†6%	1944	June 1	...
Can. Nor. Coal & Ore	‡5%	1936	July 1	105
Nat. Light & Pr. ..	§6%	1949	May 26	...

*$10,000 for sinking fund purposes.
†In part.
‡$31,000 for sinking fund purposes.
§Offers for purchase of $20,350 for sinking fund.

Public Utility Earnings

Southern Canada Power

	1933 $	1932 $	Decrease $
April—			
Gross earn. ...	168,092	179,087	10,995
Oper. exps.	61,574	65,463	3,889
Net earn.	106,518	113,624	7,106
7 Mos. End. Apr. 30:			
Gross earn. ...	1,263,457	1,346,498	83,041
Oper. exps.	442,290	502,154	59,864
Net earn.	821,167	844,344	23,177

Price Realty Co. Pass Bond Interest

From Our Own Correspondent

MONTREAL.—Price Realty Co., real estate subsidiary formed by Price Bros. and Co. to hold the property and building of the company's head office in Quebec, passed interest due on May 1 last on the 5½ per cent first (closed) mortgage bonds. This became necessary as a result of the difficulties into which Price Bros. and Co., which had guaranteed certain payments to Price Realty in the form of rentals, had fallen. Failure to receive these rentals made it impossible for Price Realty Co. to meet its obligations.

The company has outstanding $750,000 of first mortgage bonds which were offered to the public in 1931 by W. C. Pitfield and Co.

McColl-Frontenac Oil Holds to Dividend Policy

From Our Own Correspondent

MONTREAL. — No change is contemplated in the present dividend policy of McColl-Frontenac Oil Co., according to statement made by John Irwin, president, at the shareholders' annual meeting. In following this policy over the past year, Mr. Irwin said the company had been able to finance expansion from its own resources and at the same time add somewhat to the company's working capital. Such expenditures from earnings would not be possible were the dividend increased, continued Mr. Irwin, who explained that these expenditures were made mainly for the purpose of increased economies and efficiencies rather than for expansion of business.

Investment Bankers Meet June 22-24 at Lucerne

The annual meeting of the Investment Bankers' Association of Canada will be held on June 22, 23 and 24 at the log chateau, Lucerne-in-Quebec.

Col. J. G. Weir, Toronto, president of the association, will be in charge of the meeting. The first day of the gathering will be devoted to the meetings of the general executive and standing committees, and on the second day a general meeting of the members will be held. The annual golf tournament will be held on June 24.

E. Windsor Tax Collections Better; Cutting Assessment

Over $250,000 in taxes on the 1933 roll is reported to have been collected by East Windsor. This is said to represent an improvement over last year. It is believed that total collections to May 15, when penalty of five per cent was added to first installment taxes still unpaid, will have amounted to over $300,000, or about 50 per cent of 1933 tax roll.

Assessments in East Windsor are being revised downward, the city assessor stated recently. The assessments are being revised in accordance with a control board plan to make assessments uniform throughout the Border Cities district. The total assessment may be reduced considerably in East Windsor, it is understood. The seven defaulting municipalities outside of Windsor are all adhering to uniform control board schedules in revising assessments.

Dominion Square Corp. Bondholders Organize

From Our Own Correspondent

MONTREAL.—The first mortgage bondholders of Dominion Square Corp. are being solicited for support by a Bondholders' Protective Committee composed of the following: Andrew Fleming, Montreal, chairman; Roy C. Glassford, Sun Life Assurance Co., Montreal; J. Colin Kemp, the National City Co., Montreal; D. I. McLeod, McLeod, Young, Weir and Co., Toronto; Frank L. Whitaker, Dominion Life Assurance Co., Waterloo; and the Hon. J. M. Wilson, Montreal. The secretary of the committee is E. W. Willard, P. O. Box 220, Montreal.

L. G. Beaubien and Co. Offer Hospital Bonds

From Our Own Correspondent

MONTREAL.—L. G. Beaubien and Co., of Montreal, are offering per cent serial bonds of L'Hotel Dieu de Montreal, maturing between November 1, 1933 and 1952. The price varies according to maturity, ranging from 100 for maturities between 1933 to 1937 and 98½ for maturities between 1948 and 1952, plus accrued interest. These bonds are a legal investment for trustee funds in the Province of Quebec.

GREATER FORD VALUES THAN EVER BEFORE

THE new Ford trucks and commercial cars are designed, built and priced for today's business conditions, when every dollar must count as it never counted before.

Ford units are economical. They make fuel, oil and tires go farther.

Ford units have speed that saves precious time. And where service conditions demand the ultimate in speed and power, you may have the improved Ford V-8 75-horsepower engine at slight additional cost, instead of the improved 4-cylinder engine.

Ford commercial equipment has greater strength and durability, to give continuous service, over bad roads and good.

It will pay you to investigate the greatest values ever offered in Ford history. Note how much more you get today for your dollars and cents, in strength, stamina, reliability, economy, speed, beauty. See your Ford dealer.

"The Canadian Truck"

COMMERCIAL CAR FEATURES Wheelbase 112 inches. Frame X-type, 6 inches deep, double-drop design. Improved 4-cylinder engine standard. New V-8 engine at small extra cost. 3-speed transmission with synchronized second and high, and silent second gear. Fuel tank at rear. ¾-floating rear axle with straddle-mounted driving pinion. Automatic, double-acting shock absorbers. Rubber insulation for engine, spring shackles, etc.

The New Ford Sedan Delivery

TRUCK FEATURES Improved 4-cylinder engine — 50 horsepower. 75-horsepower V-8 engine available at slight extra cost. Completely enclosed, heavy-duty, single dry plate clutch. 4-speed transmission. Bi-partible coupling shaft, easily removed for service. ¾-floating rear axle with straddle-mounted pinion and torque-tube drive. Brass thrust plate behind ring gear. New semi-elliptic rear springs, freely shackled at both ends. Fully enclosed brakes; total area 465 1/8 sq. in.; special malleable iron drums.

The New Ford Stake Truck on 157-inch Wheelbase

FORD MOTOR COMPANY OF CANADA, LIMITED

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Canadian Cottons	Mar. 31, '33	90,737	125,409	...	...	...	1,891,246	2,020,200	19⅛	...	...
Gt. Britain & Can. Invest.	Mar. 31, '33	*30,964	114,008	...	...	...	115,851	157,234	...	...	...
P. T. Legare	Dec. 31	*394,541	46,262	...	0.03	...	773,247	1,178,482	...	...	...
Economic Investment	Mar. 31, '33	36,538	69,803	0.91	1.75	0.75	89,141	82,548	10	11	7.5

* Loss.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Kincardine	May 5	Harris, MacKeen & Co.	5½%	10-ins.	$9,477	95.52	6.46%
Lindsay	May	Locally	5%	15-yr.	30,000	....	....
Provincial—							
Prince Edward Island	May 10	Royal Securities and Bank of Montreal	4½%	10-yr.	250,000	96.18	4.99%

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Vice-President—HORACE T. HUNTER
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TORONTO, MAY 20, 1933

ECONOMIC CONFERENCE SHOULD BE SPEEDED UP

PRELIMINARY reports from London state that the World Economic Conference may last six months. Apparently, someone has the bright idea that the spokesman for each of the 60 countries represented should be given an opportunity to outline the financial position of his country and its economic objectives. All these sessions would be held in public which would give the more politically-minded of the delegates an opportunity to make addresses that should help to get them re-elected when they next face their constituents.

After the public sessions are over, according to Associated Press reports from London, various committees will get together and try to reach decisions. With the League of Nations meeting in September, the London conference might be adjourned in August, to resume after the League of Nations assembly meeting is over.

All this promises an excellent joy ride and a good long holiday for those politicians who want it and also for the experts and secretaries.

But we are certain that Mr. Bennett has no intention of being away from Canada for six months to listen to academic discussions. We doubt if the important men who are going over on the American delegation would consent to any such a talk-fest.

When the Imperial Economic Conference met at Ottawa, it was forecast that it would last for six weeks or two months. Actually it lasted for three weeks and if Mr. Bennett were asked for his private opinion he would probably say that all the work that was done at Ottawa could easily have been accomplished in less than five days. During the first few days at Ottawa, the countries stated their views and then three weeks elapsed during which practically nothing at all was done, each party waiting for the other to make a move. The newspaper reports of indecision, squabbling, economic warfare and warm debate that were published during that three weeks' period, made the outside world wonder if the Ottawa Conference could ever come to a favorable end. But it did.

Mr. Bennett is a man of action and we would suggest that if, when he arrives in London, he finds that any such foolish notions are abroad, as are suggested by the Associated Press dispatch, that he himself take the conference in hand and force a reasonable celerity in negotiation and settlement.

THAT GOLD CLAUSE

PROTECTION against coinage depreciation was sought when the gold clause was inserted in many Canadian and American bonds. The gold clause was an attempt to overcome the sovereign powers of government in regard to coinage by a legal phrase. The attempt has failed, not entirely unexpectedly.

Holders of Canadian bonds "payable in Canadian gold coin" have been receiving interest and principle payments in Canadian paper dollars. They have been getting in many cases more valuable dollars than they lent because of the fall of prices in Canada.

Canada has been paying and must continue to pay debts owed in foreign currencies in those currencies. We are paying British creditors in depreciated pounds, and we are paying United States creditors in appreciated dollars. We are not paying foreign holders of Canadian-payment bonds in Canadian gold coin.

The controversy about the method of payment of United States internal gold clause bonds to foreign holders appears aimless. The debts were contracted in internal currency, just as some of ours were. There appears to be no reasonable objection to the United States paying the bonds in its internal currency, and not in "gold coin of the standard of weight and fineness" of 1928. The American dollar has grown in real value, even if it cannot be exchanged for gold at the mint price. Foreigners who bought these bonds purchased a debt payable in United States dollars. That is what they are getting.

If we had to pay our debts in the United States in gold or its equivalent, it would cost our borrowers about 30 per cent premium instead of 12 or 14 per cent.

MAKING HIS OFFICE USEFUL

ONTARIO'S new lieutenant-governor apparently considers his position an opportunity for non-political public service outside of the field of polite society.

The lieutenant-governor of a province occupies a difficult post. Representative of the traditional final authority he nevertheless must not, even by hint of word or deed, express opinions on political matters. His choice is either to sign or resign.

That makes it difficult for him to make public addresses of topical importance. Those lieutenant-governors who find it irksome to speak in well-rounded bromides usually find a short cut to safety in profound silence broken by the perfunctory phrases necessary to open fairs and present cadet trophies.

His Honor Dr. Herbert A. Bruce, lieutenant-governor of Ontario, confines himself neither to brilliant nothings nor to gruff speechlessness. A great surgeon, an erudite student of the social aspects of medicine, he has taken advantage of his high position of dignity and authority to assume a role of leadership in educating the public concerning certain non-political public problems branching out from his own profession. His first public address was a romantic story of the art and science of surgery. His subsequent talks have presented a frank plea for the banishment of prejudice and ignorance from public policy in dealing with congenital mental defectives. In five years the governor should be able to advance public opinion as far as it would move in a generation under less influential generalship.

Perspicaty is shown by Dr. Bruce in his choice of a keynote for his addresses. He is making the lieutenant-governorship a useful as well as an ornamental office.

TARIFFS COMING DOWN IN MOST COUNTRIES

GENERAL agreement among the leading countries to a tariff truce until after the world economic conference has discussed the general problem of barriers to world trade will have some psychological value.

The British were slow to agree that they would adhere to such a truce. They came late to the tariff party and feel that they should strengthen their competitive position before starting to barter favors. And they want war debts to remain linked with tariffs in international negotiations. But sympathy with the British position must be tempered by a realization of the fact that American isolationist policy is being modified and the whole world should hasten to gain a universal advantage from that change of sentiment before the Americans again change their mind.

In actual practice a tariff truce means very little because in practically every country in the world tariffs have reached a point so high that the internal demand for cheaper foods, cheaper raw materials and even cheaper manufactured necessities of life is greater than the sum total of all the demands for higher protection. The world has for some time had a virtual tariff truce in effect because tariffs had passed any theoretically proper limit. In Canada there have been many men around Mr. Bennett who are ready to admit that the present Canadian tariff and particularly the regulatory phases of the administration of the tariff are unreasonably rigid. Given any reversal of tariff trends in the countries who are our largest creditors, even a Conservative government in Canada will willingly start a downward trend here.

The favorite theory of all tariff makers the world over has been that duties should be invoked to equalize the cost of buying imported goods with the cost of producing them at home. Tariffs of this kind are called "scientific" tariffs. Frowned upon by free trade theorists from the beginning of time, this theory is losing its influence even with the advocates of protection. Within very restricted limits it is sound practice but to apply it to excess means simply that no country can ever expect to achieve world leadership in any field where it has the greatest natural advantages. For instance, Canada is one of the world's most efficient and lowest cost producers of wheat. If all countries were to adopt the principle that they should have a tariff on wheat to allow for the difference in the cost of production of wheat in Canada and the cost of production of wheat in their own country, Canada would simply never get going as a great wheat producing country. In the long run it is of more advantage to most countries to buy their wheat in the cheapest market and that is what the average man will insist upon. Tariffs that set out to equalize comparative costs of all production simply nullify the benefits of low cost production anywhere. They deny any place at all in our economy for world trade. They encourage each country to attempt complete national self-sufficiency.

Obviously each country is entitled to some measure of self-sufficiency. Without a varied social life any nation would stagnate. Without some diversification in its production, it would be subject to even greater crises than it now must go through. But a principle that is sound when reasonably applied is thoroughly mischievous when carried to extremes.

So in up-to-date tariff thinking the "scientific" theory has undergone considerable modification.

The war really started the great international tariff fight. By reducing some countries to a condition of financial penury, by turning debtor countries into creditor countries and creditor countries into debtor countries, by upsetting the established equilibrium in regard to the problem of debt and debt service, it made it necessary for many countries to adopt very rigorous fiscal measures to protect their internal financial position. On the other hand, the high protective countries, that should have changed their policy, were loathe to do so because of the preponderant influence of vested interests which did not desire to be disturbed in favor of other interests. Thus, both the creditor countries and the debtor countries, the traditionally low tariff countries and the traditionally high tariff countries have joined in the tariff battle.

More reasonable views are being gradually driven into the heads of legislators the world over. There seems little doubt that the height of tariff warfare has been passed and that the next 10 years will see slow but steady levelling of tariff barriers.

Under the guidance of the new tariff advisory board this country, whether under Conservative or Liberal administration, will likely make its contribution to the newer logic of tariffs.

Protection will remain as national policy in Canada and elsewhere but the aim will be—because it must be—reasonable protection, something admittedly difficult to define.

Some of our tariffs have long since passed the point where they are necessary to nourish infant industries and these should be the first to be gradually reduced.

BANKS SHOULD NOT RETAIL INDUSTRIAL SECURITIES

BANKS should not be active in soliciting sales of securities to their customers. If banks are underwriting securities as syndicate members, or handling blocks of bonds as dealers, they may not give impartial advice to their clients. It is possible that a bank holding a block of an underwriting on its own account may sell parts of it to clients rather than give dispassionate advice on investments of a more general nature.

It may never have happened that a Canadian bank has sold bonds of an underwriting of its own to a customer, without making impartial suggestions concerning other securities. If it has not, it would be greatly to the credit of the banks. But the possibility of them doing so is a grave danger against which the Bank Act provides no safeguard.

Banks provide a perfectly legitimate service to clients when they handle as agents for these clients investment business which comes into their branches voluntarily. Such services have been a feature of banking for hundreds of years. Many people prefer to do business in this way, especially those who have fared ill at the hands of bond dealers.

But buying and selling securities is another matter and introduces dangers of possible prejudice in advice.

TIMES SUGGESTS WIND-UP OF C. G. M. M.

A PERFECTLY fair comment on the Canadian government continuation of its costly ocean shipping venture is made by the shipping correspondent of the London Times. In reviewing the 1932 report, which showed a deficit of nearly $500,000 for the year and a real deficit after depreciation and interest of nearly $4,000,000, he makes the forecast that the end of the losses is not yet in sight. The 23 vessels in operation at the end of the year were carried at an average of $183 per ton although the vessels sold last year brought only from $1.26 to $2.52 per ton.

The Times correspondent wonders if a far less costly proceeding in the long run would not be to dispose of the vessels at once, regardless of the low prices ruling for second-hand tonnage. It would be cheaper, he argues, to pay the entire cost of the freight carried in the boats and let it be carried in other shipping lines than to meet the annual losses involved in the maintenance of the Canadian government sailings.

Operations of the Canadian Government Merchant Marine are an example of the mischief caused by the state operation of shipping at the cost of the taxpayers, and they also indicate, in the opinion of the Times shipping correspondent, the forms of economic madness which now prevail.

Canada should not delay longer in winding up this tragically expensive government department which serves no useful purpose that could not be better served by other steamship companies and which costs the taxpayers a large amount of money every year.

A GOLD MINE

THE mayor of a large Canadian city, hearing that the federal government planned to curtail its relief grants to the municipalities, through the provinces, remarked: "Does Ottawa think we are a gold mine?"

Apparently this mayor thinks the federal government is a gold mine. The use of federal funds for direct relief may have been unavoidable but it has led to colossal waste. And now it is going to be hard for Ottawa to get out of the relief business.

AT LAST MINUTE

IN THE closing hours of the session Finance Minister Rhodes has introduced further supplementary estimates. They can not possibly be adequately discussed. An effort should be made to speed up the presentation of supplementary estimates to Parliament. Ministers of finance waste no time bringing down new taxes.

EDITORIAL NOTES

Is Toronto primarily a military centre? In a booklet advertising the Toronto Centennial there are fourteen pictures produced from photographs; six have a military significance; two are of uniformed policemen.

POST-scripts

ECONOMIC nationalism is one of the chief causes of the world's troubles, so the economists tell us. Many people agree emphatically with this.

We seem to observe in economists themselves a tendency to favor the views of their own schools of learning. It is only natural that an economist who has acquired his most valuable knowledge from one famous instructor should incline to the views of his foremost teacher. But it may prejudice his views on some subjects.

This might be termed economists' nationalism.

LEONARDUS JACOBUS ANTHONIUS TRIP, president of the Netherlands bank, recently stated that a run on Dutch paper currency could be fully met in gold. The bank recently had a 102 per cent reserve of the metal, according to a news story in "Time."

Dutchmen like to carry gold on their persons for currency use, just as Englishmen did before the war. On each Dutch guilder is stamped Queen Wilhelmina's motto and promise; "I will maintain." Doubtless the enormous gold reserve and the Royal promise comfort Dutchmen and those who have balances in the Netherlands.

But now it appears doubtful whether this large reserve can withstand a run by nervous capital. Notes, after all, are a small proportion of deposits.

Swiss notes were recently "backed" by gold to 175 per cent. In Switzerland notes are more commonly used in current dealings than in the Netherlands. Inhabitants of the mountain republic prefer them.

At May 1, it is estimated that the gold cover for notes had shrunk to about 100 per cent in Holland and to about 166 per cent in Switzerland.

Doubtless these enormous reserves cause some national pride in the country's possessing them. But economically they are a matter for criticism. Both these countries have received much of their gold "reserves" through transfers of funds from other countries by frightened holders. In present economic circumstances it would be better for this gold to be used somewhere in the world as a basis of credit expansion. But confidence is lacking.

As Others See Us

Politicians and Business Men

Hamilton Herald.—An interesting debate is going on between Mr. Grattan O'Leary of the Ottawa Journal and the Toronto Financial Post. Mr. O'Leary indicated the business men of the country in a speech in Toronto as a lot of "crooks and imbeciles," to use The Post's summary. He conceives the politicians, contrariwise, as possessing more sincerity, honesty and good judgment than the average business man. At first blush most people are inclined to say with Mercutio, "a plague on both your houses."

The fact is that both classes of men are much alike in character, the best of each matching each other, and the worse and worst types equally cancelling out their counterparts. The real secret is experience. Without this the lawyer politician is at sea in business till he gains some knowledge of the affairs he has to handle. Similarly the politician when he first gets into office is equally at sea, and has to depend on the permanent officials till he gets his bearings.

What finally determines their usefulness is character, and unfortunately this is an element not usually insisted upon in either class.

Men, Not Dictators

Vancouver Sun—President Roosevelt has electrified United States public opinion because he has secured from Congress a modified dictatorship and has launched a programme of action.

Canadians are apt to ask why we can't have such an emergency dictatorship in Canada. Politicians are apt to complain that they could do something if it weren't for political pressure, etc., etc.

No such excuse will go down. The fact is, as The Financial Post, of Toronto, points out, that Prime Minister Bennett already has the power which President Roosevelt asked. Even with his emergency authority, Mr. Roosevelt is no freer to act than Mr. Bennett.

There is no dodging the truth of The Post's statement. But Mr. Bennett has ignored them. He has delegated to commissions, action on ports and radio and railroads and banking which his government should have taken. He has gone on capitalizing deficits by the hundred millions and strangling trade and credit to the same tune. He has been in office for three depression years without launching a single national constructive policy that would help to lift this country out of its troubles.

President Roosevelt since March 4 has reorganized the whole U. S. banking structure, authorized issuance of billions in new currency and credit, lopped a billion dollars off national costs, put through a national farm aid programme and introduced programmes for railroad consolidation and tariff revision on a vast scale.

In three weeks, President Roosevlet has actually done more than Premier Bennett has even said he would do (let alone do) in three years. Yet for those three years Premier Bennett has had all the authority possible, if he had had the courage and the constructive vision to use it.

It is not constitutional limitation, but government incapability, that ails Canada. It is not dictators that we need, but men.

Quebec Grain Exports Up

Grain shipments from the Port of Quebec this year to May 15 are of much larger volume than last year's exports, this year's forwardings so far being around 1,600,000 bushels as against about 500,000 bushels at the same date last year.

Quebec Plants Trees

Nearly 5,000,000 young trees will be planted during the summer in Quebec Province by the Department of Lands and Mines, according to notice issued by Hon. Honore Mercier, Minister of the Department.

"Stop Me If You Have Heard This One"

A grinning red-cap at a railroad terminal submitting to two cuts in salary, recently took a third.

"It's all right," he agreed, "just so they don't begin charging me admission."

Studying Mob Foolishness Saved Baruch Millions

"Extraordinary Popular Delusions" Has Been Reprinted—Tells Story of Famous "Bubbles" of History

We do not know if Bernard M. Baruch ever wrote a book but he is responsible for giving to the present generation a book that is of exceeding usefulness at the present time.

In 1841, there was issued by Dr. Charles Mackay a volume which bore the imposing title of "Extraordinary Popular Delusions and the Madness of Crowds." The book was popular in its day and a second edition was brought out in 1852. Curiously enough, the second edition of the book was itself the victim of a certain amount of popular prejudice for the author found it necessary to leave out various sentences and paragraphs because they excited religious controversy and for other reasons.

Some time ago, Mr. Baruch gave a newspaper interview. While he was speaking to the journalist to whom he had granted the interview, he reached from a bookshelf a battered volume. Perusal of this book had saved him millions of dollars he said.

Book is Reprinted

An enterprising publishing house in Boston, L. C. Page & Company, read the interview, immediately hunted up a copy of the book to which Mr. Baruch referred and they have now brought it out in a new edition with a foreword by Mr. Baruch. A separate supplement includes the material that was expurgated from the original edition.

As interesting as anything is the foreword contributed by Mr. Baruch. He draws a parallel between the Mississippi and the South Sea bubbles, the tulip craze and other mass foolishness of the past, and the era of new economics culminating in 1929. Mr. Baruch says:

"I have always thought that if, in the lamentable era of the new economics even in the very presence of dizzily spiralling prices, we had all continuously repeated 'two and two still makes four' much of the evil might have been averted. Similarly, even in the general moment of gloom in which this foreword is written when many began to wonder if declines will halt, the appropriate abracadabra may be 'they always have.'"

The foreword, it may be said, was written shortly before the recent improvement in stock market prices and business began.

Previous Speculations

Among the great bubbles and emotional manias of history that are touched upon by Dr. Mackay are the Mississippi Bubble which brought about the downfall of the famous John Law; the South Sea Bubble, the tulipomania of Holland, the teachings of the alchemists, the foolishness of certain prophecies, etc.

It is a very large volume of over 700 pages but the business man and investor will find greatest value in reading the chapters of previous speculative epochs of former ages which bear such a resemblance to those of the present day that one wonders if crowds have changed their mentality at all.

"Extraordinary Popular Delusions," by Dr. Charles Mackay, is published by L. C. Page & Company, Boston, at $6. The pamphlet containing the material not included in the second edition that has been reprinted sells for an additional $1.

Some of the original illustrations and the original title pages are reproduced in facsimile.

Other Peoples' Views

A Big Job Man

Efficiency Magazine, London.—If you think that your responsibilities are too heavy for you to carry, you might give a thought for a couple of minutes to the responsibilities of Sir Josiah Stamp.

He is the chairman of our biggest railway system, the L. M. S., which has a capital of £434,000,000 and 231,000 employees.

He is president of the Abbey Road Building Society, which has assets of £40,000,000.

He is a director of the Bank of England, a position of great prestige and responsibility.

He has served on seven or eight commissions and committees in the last 14 years.

He has written a dozen books that are well known, on statistics, finance and economic problems.

He gives many addresses and writes articles for magazines and the daily press.

He has many personal friends. He has a happy home. He reads a great deal.

How does he find time for it all? The answer is—he does.

He is a big job man. He has always faced the hard problems, not the easy ones.

He began his career at 16. He was given a small job in the civil service. But in 1919 he went into business life. He prepared himself for great responsibilities.

"Protecting" The Investor

New York Herald-Tribune—In submitting the House bill for the regulation of interstate traffic in securities, Representative Rayburn summed up the philosophy of that measure in these words: "There is no more appropriate function of Government than that it should encourage reasonable saving by protecting the fruits of that saving." . . .

This is sound wisdom; but it leaves us, in the light of the events of the last three weeks, somewhat confused. If Mr. Rayburn speaks for the Administration, then one can only believe that this is the way the situation shapes up: the investor is to be saved from the bankers so that his savings can be filched by the government through the less painful processes of inflation.

Dump Duty

Hardware and Metal, Toronto.—A leading Canadian importing firm points out that prior to the recent advance in the value of British pound sterling which has wiped out the dumping duty. hundreds of entries were being made through various ports with sterling extended at $4.40 and no dump duty collected when it was shown that payment had been made in dollars for a corresponding amount.

"We have been paying the dump duty as an extra profit to British exporters. at the expense of our customers, and our customs officials have been showing the manufacturers in the British Isles how it can be done," stated this importer.

"Ottawa investigates each case, which by the way is another annoyance, just to find out if we have actually paid as stated. After placing us in a position where we have to pay a premium on British invoices they doubt our word and make us show our cheques. A Scottish firm advise that their authority for billing in dollars at $4.25 or $4.40, originally was given by the Chief Appraiser at Ottawa."

Just why the Canadian Customs Officials should make themselves a party to a plan whereby higher profits are forced upon the British exporter with no advantage accruing to Customs Revenues, is hard to understand.

The Department of National Revenue has, through a number of its regulations and through the uncertainty which has surrounded a number of its tax levies, caused a great deal of disturbance to business. Nothing is more disturbing to business than uncertainty. When business firms find it impossible to figure with any accuracy what merchandise will cost, laid down in this country, it eliminates any hope of carrying on successful business as far as imports are concerned.

A Tragedy

Boston Post—The minor tragedies that follow in the wake of a great financial collapse are often buried in the ruins and escape public notice. The case of Dr. Axel Munthe is an example. When his book, "The Story of San Michele," was published here, he announced that the royalties would be devoted to making a bird sanctuary on the Island of Capri.

The book had a phenomenal success. It is in its 101st printing, and has been a best seller for more than a year and a half. The royalties were greater than the author had dreamed of. But seeing a chance to build the money into a larger amount in order to endow more generously the bird sanctuary, the author put the money into Kreuger securities. Now he is back in San Michele fighting off blindness and trying to write a new book, his dream, perhaps, vanished forever. The story is sadder than any of the sad tales in the book.

Red Peril

Regina Leader-Post: Canada's minister of justice again "views with alarm" the red peril in the Dominion. "But," says the London, Ont., Advertiser, "the real red peril seems to lie in those little figures in red ink that have decorated successive budgets of late."

For the Business Man

The man who is meeting the demands of today in his business affairs has little time for the management of his personal investments, though they may require more care than ever before.

The experience of over 40 years in the investment field is available to our clients. Recommendations for investment of spare funds or for changes in your present holdings will be made on request.

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Governments of Western Provinces are balancing budgets. This fact, coupled with the steady advance in wheat and commodity prices, makes Western Provincial Government Bonds at present prices desirable investments. They may be purchased to yield an income of 6% and over. Moreover, there is a reasonable prospect of appreciation in capital value.

Write or telephone us for more complete information. Elgin 0161

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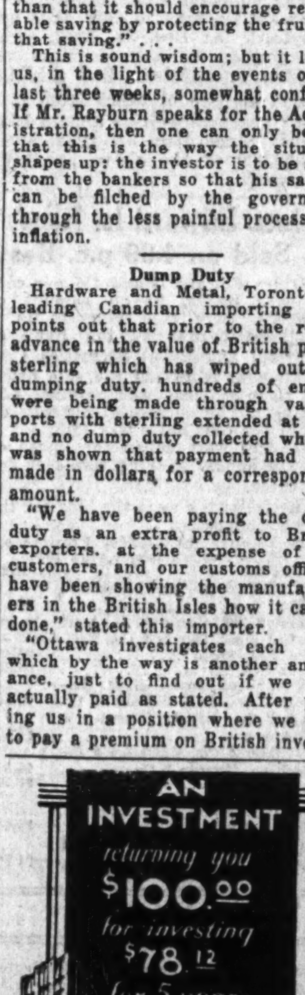

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1 TWO EXTRA CORD PLIES UNDER THE TREAD—so arranged to give 26% extra protection against punctures and blowouts

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3 BALANCED CONSTRUCTION holds the tire on the road at high speeds and assures you of long even wear.

4 SAFETY TREAD—Made wider, deeper and tougher. Gives positive non-skid protection in all kinds of weather.

5 AMAZING NEW GUARANTEE Protects you for 12 months against blowouts, cuts, bruises and all other road hazards except punctures.

In these days when you have to make one dollar do the work of two, be sure you get your money's worth. See the nearest Firestone dealer today. Let him equip your car with the strongest, safest and most economical of tires.

Lower Priced Tires

If you want low-priced but *dependable* tires ask for Firestone—Oldfields—costs 20% less than, but are the equal of, most standard tires.

Firestone
THE TIRE *that* TAUGHT THRIFT *to* THOUSANDS

The Week in Business

Steel Takes Lead

COPY-book maxims after being ignored for many moons are again being recalled in the United States as the leadership in industrial activity is once more taken by "steel." It will be remembered than on at least one or two occasions in the past three years, an upturn has occurred in the "consumptive" industries such as textiles, boots and shoes and so forth and the gain has been eagerly watched as indicating the long-awaited return of prosperity. After one or two false starts, the idea was generally accepted among executives and economists that such a gain could only be counted on as a barometer of improving business —if—it were accompanied by a rise in the more basic index of iron and steel activity.

Now we find that steel has once more resumed its familiar role as the key factor in the business barometer and the sensational improvement in operations that has taken place in the United States in the past six weeks is being heralded as the most constructive indication for the future that has been seen in a long while.

* * *

OBVIOUSLY the wide improvement in prices and business activity that has been under way now for several weeks across the border was originally predicated on the speculative anticipation of inflation of credit and currency. Now strong hopes for the future lie in the possibility that the impetus to business which is already under way will be sufficient to obviate the need of any real currency inflation in the U. S. although a measure of credit inflation is certain.

If such is the case it will remove what was obviously one of the great dangers in the Roosevelt plan, namely the probability that currency inflation — once started —could not be stopped. What happens therefore when the initial effects of commodity speculation have worn off—as they undoubtedly will in the next few weeks—will be watched by all who are attempting to forecast the immediate future of business on this continent.

* * *

New Drug Line

DURING the past ten years, drug stores in the larger cities of Ontario have gradually concentrated more and more on soda fountains and lunch counters and the sale of tobaccos and novelties. The latest move of a large chain of drug stores operating in Toronto and Hamilton carries them one step farther, packaged biscuits having been added to their wide line of goods. This, of course, creates resentment among grocers but only a few can retaliate by adding a soda fountain to their equipment.

* * *

High for the Year

FOR the third successive week carloadings have advanced in both the eastern and western divisions, reaching the highest total for the year in the week ended May 6. Heavy grain loadings formed the chief factor in the increase from 36,049 to 37,409 in the Canadian total, the increase in grain in the western division being 674 cars and in the eastern division 364 cars. Livestock loadings were down somewhat from the exceptionally high totals of the previous week but coal, lumber, pulp and paper and merchandise and miscellaneous freight were higher. Although the seasonal trend is slightly upward, the increase was sufficient to carry the adjusted index number from 62.59 to 63.59.

Retail prices are beginning to reflect the increase at wholesale, the April index number of retail prices, rents and costs of services, rising from 78.4 to 78.6. This increase is entirely based on an increase in the retail food index from 60.4 to 61.3 caused by higher prices for sugar, butter and most meats. Higher food prices at this time is against the usual seasonal trend as declines in milk and eggs are usually sufficient to carry the index to lower levels.

Wheat movement during the week ended May 5 was lighter than in the previous week and the corresponding week of 1932 but the amount in store was reduced by over 2,000,000 bushels. Export demand is somewhat curtailed owing to instability of exchanges.

Business Conditions in Canada

REPORTS INDICATE BETTER BUSINESS IN RECENT WEEKS

Latest Information Suggests Higher Sales, Greater Optimism

Reports on wholesale and retail trade from all parts of the Dominion, with the exception of the Maritimes, for the week ended May 13 were better than in any recent period. In many cases wholesalers and retailers report increased business over 1932 and in all sections of the country seasonal merchandise is moving well and stable commodities are maintaining a good volume.

In some parts of the West the continued wet weather has caused a slight reduction in sales from the previous periods owing to the fear that seeding will be too late but even in these sections the outlook is considerably brighter than a year ago. Collections remain slow in most cases, however, this being particularly so in the retail trade. In the West, current accounts are being well looked after although there has been little payment on old outstandings as yet.

Chief Cities Report

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending May 13, is as follows:

Halifax—No change is reported in conditions since last report. Collections remain fair to poor.

Saint John—Wholesale trade report business for the week as dull. Retail trade generally reported somewhat quieter. Collections continue slow.

Montreal — Wholesale groceries very fair. A marked, though gradual recovery is noted in dry goods; boots and shoes fair; clothing very fair; ladies' wear moving fairly well; hardware also shows some improvement, though still quiet; building trade quiet. City retail merchants report a little more activity during the past week; country trade also reported slightly better—although sales somewhat hindered by unsettled weather. Automotive industry reports a very satisfactory season to date, with a very fair number of new car sales. The Port of Montreal reports a busy week with the handling of considerable freight. Unemployment still acute but slightly modified. Collections—wholesale, very fair; retail, still slow.

Toronto—Wholesale and retail merchants report the general tendency is toward improvement. Both men's and ladies' clothing and sundries record an increase over 1932. Boot and shoe trade report an upward trend. Hardware and paint moving fairly well. Collections remain fairly slow.

Winnipeg — Wholesale trade continues very satisfactory in grocery and produce lines. Boots and shoes, clothing and ready-to-wear lines report a little more activity with the warmer weather; dry goods also slightly improved. Hardware, paints and varnishes reported as still in fair demand. Retail merchants generally report trade slightly improved.

Regina — Wholesale trade report fair turnover in groceries; dry goods fair, seasonal requirements increasing volume at present; hardware good, an improvement showing over last year. Retail trade, both city and country, reported as fair. Collections —wholesale, good on current accounts, very little being received on old outstandings .Retail, city fair; country, very poor.

Moose Jaw — Wholesale and retail groceries reported fairly good; wholesale boots and shoes fair; wholesale and retail hardware good. General rental business fair. Collections fairly good.

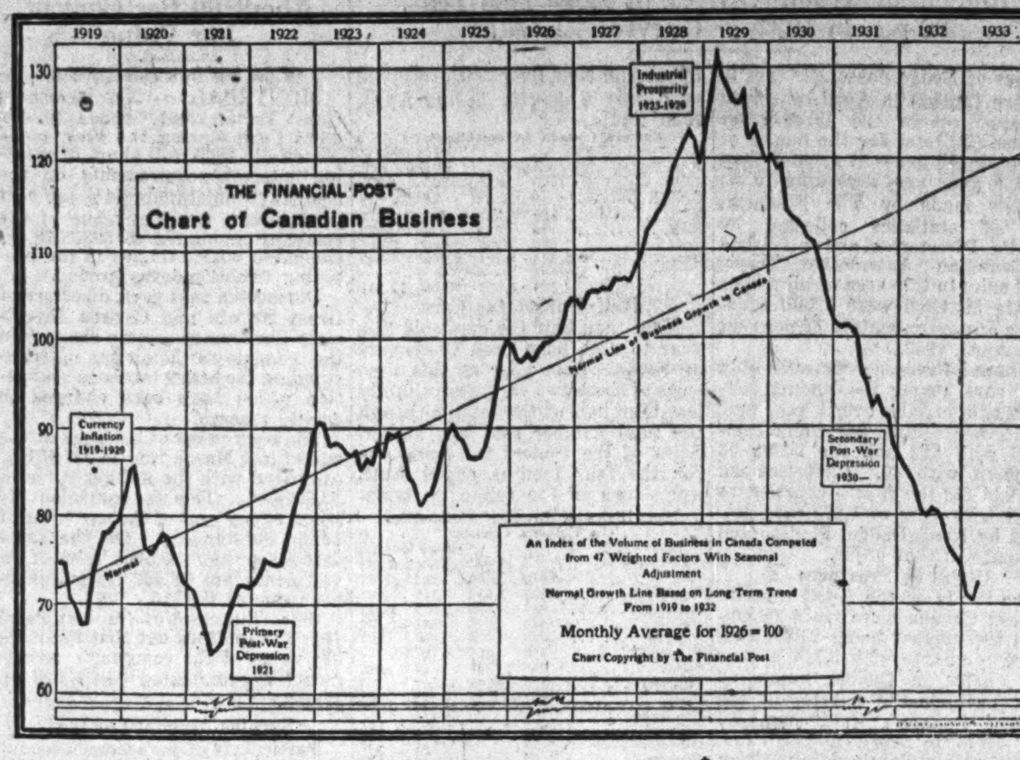
Saskatoon — Wholesalers report volume in groceries very satisfactory. Little change in hardware line over last week, although volume reported as satisfactory. Boots and shoes report considerable increase in sales, particularly in sport shoes. Dry goods report satisfactory volume for the week; oils and greases continue to show improvement. Retail trade generally report sales as very satisfactory, with increase in seasonal lines.

Calgary—With the exception of the steady volume in groceries, purchase of other lines has been slowed up as a result of the unfavorable wet weather, which is causing the long delay in seeding. Notwithstanding this several wholesalers and retailers are reporting satisfactory improvement in business over the same period last year.

Edmonton — Wholesale grocers, packers, dry goods, boots and shoes report improvement in volume of business, with a better feeling prevalent recently. Collections on current accounts fair; old accounts slow.

Vancouver—With the exception of ladies' wear, all lines of business report a decided advance in sales over the previous week. Collections improved.

Greater Business Activity in April



Best Gain In Four Years By Post Business Index

Preliminary Calculation of The Financial Post Shows Gain in Thirteen Factors of 21 Available For April—Drop in Foreign Trade is Enigma

By SYDNEY B. SMITH

The preliminary compilation of The Financial Post business index, moving up three points in April over the level of the preceding month, appears to answer the natural question of the present time as to whether any real gain in business operations is being recorded to correspond with the marked alteration in the psychological attitude. Until recently the buyer, speaking generally, has had the advantage in that with the prospect of continued decline in prices he could postpone or limit purchases to bare necessities. During such a period it was difficult to operate an enterprise at a profit through depreciation in values.

According to the opinion of many authorities the trend of wholesale prices will be upward during the next few years. This development is anticipated partly owing to the aggressive action of the Washington administration and partly to the fact that during a period of decline such as experienced in the last four years there are normally constructive readjustments effected which tend automatically to bring about economic recovery. At the present time political and economic forces are co-operating to effect a desirable change in industrial prospects.

Speculators Active

Ample notification of the altered situation has been registered by the stock and commodity exchanges. The normal function of the speculator is to anticipate major changes but in doing so he is often carried away by excessive enthusiasm leading to subsequent reaction. Whether the present advance has exaggerated the prospects may only be disclosed by future developments.

As only 21 factors out of the 47 used in the preparation of the business index are available at time of writing, the sharp advance of three points may be greatly moderated when final returns are received, but the gain according to the preliminary computation affords confirmation of the resumption of operations over a considerable range of industries. Thirteen out of the 21 available factors showed a gain while eight registered decline, resulting in an index of 73.0 compared with 69.9 in March. This tentative increase is greater than in any month since the downward movement commenc- just four years ago.

Improvement Not General

It is not to be inferred that improvement in April was general. The extreme low level of external trade in the month under review is almost an enigma. Through technical causes due to the manner of communication at the end of the fiscal year, it was expected that totals would be lower than in March but the fact that after adjustment for the normal tendency between the two months, a substantial decrease was recorded both in imports and exports, presents the unsatisfactory feature of the statistics of the month. Imports were $20,457,000 compared with $32,851,000 in March, the decline after adjustment for seasonal and price tendencies being 11.6 p.c. Exports were $20,042,000 compared with $36,579,000 in March, an adjusted decline of 7.4 p.c.

The situation in regard to mineral production was mixed, nickel, zinc and asbestos showing gains, while the three remaining available items recorded declines. The decline in nickel exports was less than normal for the season, the adjusted total showing a gain of 2.5 per cent. Zinz exports were 14,057,800 pounds compared with 20,027,600 in March, but after adjustment for seasonal tendencies the gain was 36 per cent. Mint receipts and exports of gold from mines were 210,504 ounces compared with 274,925. The index number expressed as a percentage of the 1926 average was 167.8 in April compared with 177.9 in the preceding month. Silver shipments were at a greatly lower level in April than in March, the total being 652,421 ounces compared with 1,692,500. Of the better grades of asbestos, exports were 4,995 tons compared with 3,641 tons, a sharp gain being recorded.

Foodstuffs Division Gains

The foodstuffs division was more active, contributing to the gain in the general index. The flour milling industry resumed operations on a large scale in the last month for which statistics are available. A marked gain was recorded in wheat flour production, while oatmeal, rolled oats and corn flour were also produced in greater volume. The sugar manufactured in the April four-week period was 46,455,000 pounds compared with 55,432,000 in March, the decline after seasonal adjustment being about 5 per cent. Cheese exports amounted to 277,000 pounds compared with 452,900 in March, a gain being recorded after seasonal adjustment. Canned salmon exports dropped to a low point in April.

The manufacture of pneumatic casings was more than maintained after seasonal adjustment in the last month for which statistics are available.

Exports of woodpulp and shingles reached a higher level in April after seasonal adjustment, the adjusted gains being 22 per cent and 13 per cent, respectively. The decline in the export of planks and boards was greater than normal for the season.

Gain in Construction

While part of the gain in construction contracts awarded was seasonal, the total of $8,609,000 in April as compared with $3,191,000 in the preceding month, was impressive. A gain of 31 per cent after seasonal adjustment constitutes a noteworthy change in outlook.

Carloadings in April numbered 161,531 compared with 157,416 in March. The freight movement is normally less in April than in March, the adjusted gain in this case being 12 per cent. It is also noteworthy that the weekly seasonally adjusted index since the second week in April has shown four consecutive gains resulting during the week of May 6 in a maximum point since last October. While freight movement has been greatly below the corresponding period of 1932, the trend of the last four week has been constructive. Comparing the week of May 6 with the same week of 1932, gains were shown in grain, livestock, coke, pulpwood and other forest products. Out of 11 classes of commodities seven showed gains in the week of May 6 over the preceding week.

The Financial Post business index, subject to revision, probably in a downward direction, upon the receipt of final information, was 73.0 in April compared with 69.9 in March. External trade failed to come up to expectations and a mixed tendency was characteristic of mineral production. The flour milling industry was more active in the latest month for which statistics are available. Wood pulp and shingles were exported in greater volume after seasonal adjustment, while the shipment of planks and boards lagged. The gain in construction contracts was spectacular, while an encouraging increase was shown in railway freight movement.

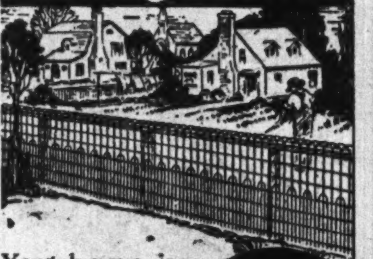
Foreign Trade Drops Sharply During April

Decline of nearly 30 per cent in foreign trade in April compared with a year ago is the feature of the statistics released during the past week, imports being off 31.3 per cent and exports 25.7 per cent. Car loadings gained for the third consecutive week and wheat stocks were slightly reduced but wheat exports were lower than in either the previous week or the corresponding week of 1932.

			Change From prev. period %	Change From prev. week %
Monthly		**April, 1933**		
W'sale prices	index	654	+1.5	—4.1
Imports	$	20,457,294	—37.7	—31.3
Exports	$	20,011,652	—45.0	—25.7
		March, 1933		
Autos sold	No.	3,747	+730	—140
	$	3,756,899	+64.7	—19.6
Weekly *		**May, 1933**		
Car loadings	No.	37,409	+3.7	—9.3
Wheat stks.	bu.	217,049,286	—1.3	+35.4
Wheat exp.	bu.	4,258,265	—4.5	—22.6

* Weeks ended May 6, 5 and 5 respectively.

Lundy Fence



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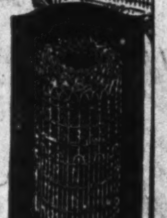

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Chain Link Fence.

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Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (May 6)	37,409	41,227	600,919	742,940
C. P. R. gross earn. (May 7) $	2,041,000 $	2,196,000 $	31,694,000 $	38,007,000
C. N. R. gross earn. (May 7) $	2,617,842 $	3,141,776 $	39,899,699 $	50,464,902
	Monthly			
C. P. R. net earn. (Mar.) ...$	877,495 $	1,170,502 $	1,297,479 $	2,017,415
C. N. R. net earn (Mar.) ... $	‡255,307 $	‡496,900 $	‡4,023,243 $	‡1,329,551
Iron and Steel—				
Pig iron, tons (Mar.)	nil	17,989	35,353	38,801
Steel, tons (Mar.)	11,212	43,572	64,352	97,10[illegible]
Automobiles prod., No. (Mar.)	6,632	8,318	13,828	17,526
Automobile exports, No. (Mar.)	1,637	592	2,418	1,588
Construction—				
Building permits (Mar.) .... $	934,555 $	3,396,729 $	3,016,339 $	9,453,012
Contracts (Apr.) .... $	8,608,700 $	10,112,900 $	18,312,000 $	48,419,700
Newsprint—				
Production, tons (Mar.)	137,078	166,758	403,227	490,330
Exports, tons, (Mar.)	138,005	171,650	373,230	487,008
Sugar—				
Imports, raw, lbs. (Mar.) ..	61,707,100	97,878,600	82,327,200	134,232,900
Melt. & ship., lbs.*	43,697,904	34,644,152	139,396,717	142,983,040
Manufactured, lbs.*	46,454,674	35,879,441	149,537,094	141,827,647
Flour—				
Production, bbls. (Feb.)	844,899	842,123	1,604,006	1,699,315
Wheat flour exp., bbls. (Apr.)	234,387	255,390	1,455,075	1,339,488
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Mar.) ...	60.46	77.56	136.35	191.84
Boots and shoes, pr. (Mar.)	1,539,487	1,720,208	3,661,661	4,390,813
Petroleum, imp. crude, gal. (March)	49,336,328	67,635,135	121,977,197	188,946,525
Cotton, imp., raw, lbs. (March)	6,374,000	10,212,000	21,165,000	26,914,000
Rubber, raw, imp. lbs. (Mar.)	2,495,430	5,796,594	7,789,857	13,567,283
Coal, imports, tons (Mar.) ...	497,908	711,522	1,439,386	1,849,851
Gasoline sales (Feb.)	22,677,000	26,873,000	50,389,000	52,227,000
Trade—				
Imports (April) .... $	20,457,294 $	29,794,296 $	101,263,164 $	156,943,094
Exports, (April) .... $	20,011,652 $	26,927,756 $	114,549,827 $	141,474,817
Wheat exports, bus. (Apr.) ..	4,460,214	7,513,289	44,905,057	36,804,632
Labor—				
Employment Index (Apr.) ..	76.0	87.5	......	......
Electric Power—Output—				
M. Kilowatt hours (Mar.) ...	1,371,047	1,388,696	4,067,262	4,127,747
Finance—				
Failures, No. (Feb.)	214	221	427	459
Failures, Liabilities (Feb.)... $	3,947,000 $	3,650,728 $	7,996,929 $	7,711,371
Bank debits† (Mar.) .... $	1,887,000 $	2,024,000 $	5,686,152 $	6,085,081
Bond sales (April) .... $	18,544,538 $	12,074,388 $	34,942,876 $	115,230,720
Insurance sales (Mar.) ...... $	29,768,000 $	37,467,000 $	85,458,000 $	112,943,000
Automobile Financing:				
Used cars (Mar.) .... $	849,815 $	964,196 $	2,038,859 $	2,578,360
New cars (Mar.) .... $	914,609 $	1,060,440 $	1,906,623 $	2,420,852

*Four weeks period, Apr. 1 to Apr. 22. †(000's omitted). ‡Deficit.

Business Briefs

Car Loadings for the week ended May 6 totalled 37,409, the high point of the year and marking the third consecutive weekly increase. The seasonally adjusted index number also reached the high point for the year at 63.59.

Wheat Stocks declined slightly during the week ended May 5 to 217,049,286 bu. from 219,806,848 bu. a week previous. In the corresponding week a year ago stocks amounted to 160,302,000 bu.

Wheat Exports in the week ended May 5 were 4,258,265 bu., a reduction from the 4,456,698 bu. of the previous week and from the 5,506,104 bu. recorded in the corresponding week of 1932.

Failures under the Bankruptcy Act in the week ended May 6 numbered 29, a decrease of 3 from the same week of the previous year. For the year to date failures have numbered 679, a decrease of 79 or 10.4 per cent from the same period of 1932.

British Coal Imports at Montreal Set Record

From Our Own Correspondent

MONTREAL.—Imports of British anthracite coal at the port of Montreal established a new record for April when 76,661 tons were received compared with 64,262 tons in the same month a year ago. This improvement was due in part to the earlier opening of navigation this season, coal boats being able to discharge here on April 15, the earliest date in the annals of the port.

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Inflation Stocks

It is now necessary for every investor to revise his holdings to meet the cheaper dollar. Don't miss our article listing stocks that will benefit particularly by the rising price level. Send only $1 and this "ad" for the following:

(a) Four next issues of The Financial World.
(b) May issue of "Independent Appraisals of Listed Stocks." (This 48-page book shows earnings comparisons, our ratings, etc., of 1,350 stocks.)
(c) "Beneficiaries of Inflation" and "10 Outstanding Stocks for Recovery."
(d) "A New Basis for Selecting Stocks," "Time to Buy a Fortune?" and "Sound Investment Rules."
(e) A complete analysis of two unusually attractive low-priced stocks.

The FINANCIAL WORLD

(FOUNDED 1902)

53-FP Park Place New York

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Charles Gurd & Co. (Maritime) Ltd., has established a sales office and warehouse in Halifax. F. W. Hamm, secretary-treasurer of the company will be in charge.

S. Tobe has established a factory at Niagara-on-the-Lake and will manufacture baskets, crates, boxes, etc.

Canadian Sugar Factories, Ltd., will erect four elevator bins for storage of beet sugar at their plant at Raymond, Alta., at an approximate cost of $50,000.

Nova Scotia Sea Foods, Inc., has rebuilt the Robinson Glue Co. factory at Canso, N.S., and installed machinery capable of producing 15,000 tons of fish meal annually.

Kamloops, B.C., is the location of a box factory under the management of F. D. Woodward, a local contractor. Capacity will be about 10,000 boxes a day, it is stated.

Reliance Lumber Co., Saskatoon, plan building a lath fence factory, advices from that city state. The plant, if built, would cost $8,000.

Saskatoon Canning Co-operative Marketing Association has been incorporated for the purpose of co-operative handling of agricultural produce. Plans are being discussed for the establishment of a canning factory.

H. C. Steele, formerly associated with James Steele, Ltd., Guelph, will shortly open a small factory for the manufacture of wire springs in that city, it is stated.

Two items which appeared in this column about a month ago have since been partially denied, according to latest advices.

Hall Chemical Co., a British concern supposedly ready to build a plant in Montreal, turns out to be only concerned with arrangement whereby a few of their products will be manufactured by a local Montreal concern. Information published in The Financial Post was on the authority of leading Montreal daily papers.

Provincial & Foreign Investments, stated by Montreal papers and in this column to be manufacturing in England and ready to build in Canada is now reported as only in process of formation and merely on the lookout for capital in Canada.

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HUDSON'S BAY SEES NEW ERA CHALLENGING

Old Empire Invaded By Railway, Airplane and Prospector

MAKING CHANGES

Increasing Local Responsibility Both in Canada and England—Chief Factor Dies

Probably the last five years have been the most critical in the 263 years' existence of Hudson's Bay Co. It has come to the end of an era and has been making over its entire organization to meet the new situation created by the opening up of Canada's vast northern areas to prospectors, railway men, airmen, and traders.

The depression is only an incident in its long career, but the change in the nature of the era is of lasting significance to it. The fact that its loss was cut in 1932 to one-third of the loss shown in 1931 shows that it is making headway against the depression and some of the remarks of the governor at the annual meeting in London on April 28 show as well that good foundation work has been done of a more permanent character.

The general plan of administration—decentralization with greater responsibility placed on local executives—has been carried further in London and Canada with the result that efficiency is increased.

Governor Makes Record Trip

The governor, P. Ashley Cooper, in 1931 explained that Canadian operations are now run from Hudson's Bay House under the chairmanship of Geo. W. Allen, K.C., and the general manager, P. A. Chester.

The company also faces the necessity of choosing a chief factor as the former chief factor, James Thomson, died just five days before the annual meeting on April 23. He had been half a century with the company and had been on the Canadian committee for 19 years.

As an example of how much closer the Governor is keeping to affairs in Canada it was explained at the annual meeting that Captain Cazalet made a preliminary tour of all offices and departments of the company in Canada. This was for the information of the Governor who himself came to Canada and made a tour of his own in company with G. W. Allan, K.C., of Winnipeg, the general manager, Mr. Chester and Mr. Stacpole, head of the London office. They visited not only the larger centres but the Governor flew north from Edmonton with the general manager, Mr. Parsons, the fur trade commissioner and the manager of the Mackenzie River district. They went by the Athabasca River, Lake Athabasca, Riviere de la Rochiere, the mouth of the Peace River and the Slave River. They visited the fur posts at Fort McMurray, Fort Chipewyan, Fort Fitzgerald and Fort Smith and the headquarters of the river transport at Waterways and the river transport at Fort Smith.

No governor in the history of the company ever made such an extensive tour as Mr. Cooper. The aeroplane has also enabled various commissioners to inspect outposts oftener and more quickly.

Measures of reorganization have been proceeding at a time when there is an unprecedented strain on all commercial undertakings. The foundations of a sound, administrative structure have nevertheless been laid. To provide and build up an adequate staff still remains the most formidable task. The present personnel is being utilized for promotions to senior posts wherever possible.

Railroads Modify Problems

The company's problems have been profoundly modified by development of airplane transportation and the completion of a railway line to Churchill on the west and to Moose Factory on the south end of Hudson Bay. Airplanes can be employed by the company to advantage although they increase competition and render game preservation more difficult. The railroads have made it unnecessary for the company to add to its ocean fleet. Formerly all furs were taken in the company's own steamships direct from Hudson Bay to Europe, and posts were outfitted from Montreal by another steamship.

Because of the opening up of mining areas along the Mackenzie River, special attention is being paid to that part of its coastal and river craft on the Mackenzie.

Collectors-Marketers Inter-visit

In the fur trade department, number of posts in the three years just finished dropped progressively from 264 to 256 and 232 but fur purchasing agencies went up from 13 to 14. During the year the policy was systematically followed of co-ordinating the collecting organization in Canada with the marketing organization in London by an exchange of personnel.

Raw furs is the only economic product from hundreds of thousands of square miles in the Dominion.

The advance of civilization northward calls in the opinion of the governor for the most stringent measures to conserve animal life, which is almost the only support of the natives and other permanent residents. The company's collection of furs was maintained satisfactorily but for the future such conservation must be undertaken if governments do their duty, he thought.

Deals With Cases on Merits

The company's policy with regard to debts due it is to consider each case on its merits. Many adjustments of contracts have been necessary but it has not been felt just to the company to make the general wholesale revisions in respect of both interest and principal which have been made by certain other organizations with "frozen" debts due them from farmers.

Collections were well maintained in the early part of 1932, but when wheat prices dropped to the lowest recorded price in the history of the Winnipeg Grain Exchange (38 cents) these low prices and results of moratoria legislation made a heavy fall in collections inevitable. Under such circumstances it was also difficult to assess satisfactorily the value of installments outstanding. Outstanding installments on lands sold are shown at £2,130,505.

Store Collections Good

In the stores department, however, collections were more satisfactory in 1932 than in 1931, and outstanding accounts were regarded as being in a sound condition. A substantial reduction in expense was effected by the establishment of a joint buying office in London to conduct the European purchases of the company and of the Robert Simpson Co., of Toronto. Efficiency was materially increased by this move. The governor states that the arrangement does not involve any further connection between the two companies.

Has 2,043,963 Acres for Sale

The company's land business must await return of western farm prosperity before it becomes profitable again. In 1932 the company sold 15,755 acres of land, and 73,688 acres reverted to company under cancelled sales. The company wrote off 100,951 acres and had 2,043,963 acres for sale on Jan. 31, 1933. The 15,755 acres sold brought £1 6s. 3d. per acre as compared with £1 12s. 6d. per acre for 11,659 acres in the preceding year.

Taxes were brought down from £124,149 to £98,300 by the policy of writing off lands whose value apparently was likely to be extinguished by tax payments before sale could be effected. Successful appeals were made against excessive taxation also in a number of instances. Administration expenses were reduced to the minimum, but further reductions could not be expected as lands were scattered throughout Western Canada. sales were pressed energetically in spite of adverse conditions.

Fanny Farmer Profit Shows Good Increase

Sales and profits of Fanny Farmer Candy Shops Inc. are reported to be substantially in excess of results for the first four months of 1932. Officials of the company state that if business is maintained at the present rate net profit may well exceed the 1931 level when profit available for dividends amounted to $232,722 and common shares earned $1.44 after payment of preferred dividends. In 1932, the company earned $1.02 per share on common stock.

Improved business is believed to be in large degree due to optimism in the United States, where the company's 148 stores are located, as to the future. Sales during March were lower than in March, 1932, due to the bank holiday but the company experienced practically no loss through failure of any of the numerous banks with which it transacts business.

Walkerville Wants to Avoid Board to Control Finances

Walkerville is petitioning the Ontario legislature to allow the town to "make binding agreements with any debenture holder for the extension of the time for payment of the whole or any part of the principal of such debenture," in order to avoid appointment of a control board to administer the municipality's affairs. The town's objection to a control board, such as has charge of other Border Cities' affairs, is that it might reduce tax collections.

The town fears that appointment of a control board, which may occur on Dec. 14 next, unless payment of principal due can be postponed, will give the impression that the town is bankrupt. The town feels that it is best for its credit that public confidence should not be shaken by appointment of a control board, according to the petition.

Dodge, Ford, Frontenac Report Sales Gain on '32

April Auto Sales in Eastern Canada Down 17 p.c. — "Big Three" Handle 87 p.c. of Sales This Year, 82 p.c. in 1932 — Chevrolet Leader

Sales of Dodge passenger cars in Eastern Canada in April continued the pace set in the three prior months, the total for the month of 434 being 110 per cent greater than April a year ago, according to an analysis made by The Financial Post of statistics collected by Might's Directories and published in Canadian Automotive Trade. Total sales in this area of all makes of cars in April were 4,236, a decrease of approximately 17 per cent from April, 1932.

Ford and Frontenac were the only other cars among the leading sellers to gain in sales over a year ago, the former selling 847 units compared with 522 and the latter 93 compared with 49. Chevrolet led the field for the fourth consecutive month with sales of 1,279 cars, followed by Ford, Dodge, Pontiac and Plymouth in that order.

Sales by Provinces

Two-thirds of the April sales in Eastern Canada were made in Ontario, the number being 2,820. This figure compares with 3,124 a year ago. Sales in Quebec numbered 1,030, or almost a quarter of the Eastern Canada total, compared with 1,235 in April a year ago. Nova Scotia maintained in position compared with a year ago with a total of 280 but Prince Edward Island and New Brunswick recorded sales only a quarter of the April, 1932, totals.

Eastern Canada Automobile Sales

	April 1933	April 1932	4 Months Ended April 1933	4 Months Ended April 1932
P. E. I.	10	40	10	40
N. S.	280	307	498	821
N. B.	96	389	156	527
Que.	1,030	1,235	2,026	2,717
Ont.	2,820	3,124	6,965	7,449
	4,236	5,095	9,655	11,554

Half Market for Cars

More than half the cars sold this year to date have been Chevrolets or Fords. Last year at this time sales of these two cars were slightly less than half of the total, although the total number sold was higher. Sales of the leaders for April and for the four months ended April are shown in the following table:

April Sales of Leading Automobiles (In Eastern Canada)

	April 1933	April 1932	Four Months Ended April 1933	Four Months Ended April 1932
Chevrolet	1,279	1,633	3,113	3,937
Ford	847	522	1,640	1,477
Dodge	434	204	981	433
Pontiac	346	388	803	826
Plymouth	313	436	727	726
Buick	213	344	520	912
Chrysler	125	203	262	398
Essex	104	180	232	299
Frontenac	93	49	220	121
Willys	84	102	208	260
Oldsmobile	77	99	167	280
Rockne	73	104	146	134
De Soto	58	184	154	381
Studebaker	58	157	140	345

The Big Three

Three manufacturers have handled 87 per cent of the business in Eastern Canada in the first four months of this year, General Motors having 48 per cent of the total, Chrysler 22 per cent and Ford 17 per cent. In the same period of 1931 and 1932, these manufacturers accounted for 80 and 81.8 per cent respectively.

Compared with a year ago, General Motors has almost maintained its position which was 52 per cent in that year, while Chrysler and Ford have improved from 17 and 12.8 per cent respectively, unit sales in the case of these latter two being actually higher.

CANAD. COTTONS RETIRE BIG BLOCK MORTGAGE BONDS

Earnings Last Year Record Recession from 1931 Levels

From Our Own Correspondent

MONTREAL.—Sales of Canadian Cottons Ltd. during 1932 amounted to $5,789,475, compared with $6,541,000 for the previous year, a decrease of $751,524, or about 11½ per cent.

Shipments during the first half of the fiscal year were on a very satisfactory basis, leading to the assumption that conditions had taken a definite turn for the better. Results in the last half of the year, however, were discouraging, so that the company's plants operated at only 52 per cent of capacity during the entire year.

Show Book Deficit

Total income of the company during the fiscal year of 1933, including interest on investments, amounted to $212,540, as against $289,672 in the preceding year. After providing for all charges there was a book deficit of $128,935, compared with $94,280 in 1932. Particulars of the income account for the last three years follow:

	1932-33 $	1931-32 $	1930-31 $
Oper. prof.	74,888	120,611	109,407
Int. on inv.	137,651	169,061	159,228
Total inc.	212,540	289,672	268,635
Bond int.	87,029	132,465	137,723
Balance	125,511	157,207	130,912
Bad debts	34,774	31,796	25,762
Net inc.	90,737	125,409	105,150
Pfd. div.	219,690	219,690	219,690
Balance	*128,953	*94,280	*114,540
Prev. surp.	†2,162,700	2,114,480	2,229,020
Balance	2,033,746	2,020,200	2,114,480
‡Deduction	142,500	......	......
P. & L. bal.	1,891,246	2,020,200	2,114,480

†As adjusted by addition of $142,500. Proportion of discount on bonds purchased for sinking fund and now redeemed and cancelled.

‡Value of shares in subsidiary companies written down $101,236; loss on securities sold during the year $7,199, and transfer to reserve for contingencies to provide for depreciation in market value of securities $34.064. *Deficit.

WORKING CAPITAL POSITION

	1933 $	1932 $	1931 $
Curr. assets	5,305,489	5,986,502	6,115,867
Curr. liabs.	1,034,436	1,103,782	1,032,633
Work. cap.	4,271,053	4,882,720	5,083,234

Reduce Funded Debt

Several important changes took place in the balance sheet position of the company during 1933. Funded debt of the company was reduced by $1,055,000 to $2,851,140. In addition the company has in the treasury for sinking fund $1,127,040 of its own bonds, so that the amount outstanding in the hands of the public amounts to only $1,724,100. It is largely due to sinking fund operations and the retirement of bonds that the working capital shows a decrease of $611,665.

The reserve for depreciation was increased by $350,000 to $3,850,000 during the year. A new item among the current liabilities this year is an employees' benefit fund of $239,088.

Among assets, property account shows an increase of about $125,000 to $10,287,375.

Write Down Investments

Shares in subsidiary companies have been written down from $101,239 to $3.

There has been a further breakdown in the company's investments. In the 1932 report accounts receivable, call loans and Dominion government bonds were shown as $2,301,292. while investment bonds and shares totalled $1,863,411. In the 1933 statement accounts receivable are shown separately at $807,312, while investment bonds and shares totalled $1,863,411. In the 1933 statement accounts receivable are shown separately at $807,312, while investments in bonds and shares total $2,702,421.

STANFIELDS SHOW LARGER EARNINGS

Balance Sheet for 1932 Displays Stronger Working Capital Position

From Our Own Correspondent

MONTREAL.—Net operating income of Stanfields Ltd., Nova Scotian manufacturers of wool and other textiles, was slightly better in 1932 than in the previous year. Revenue, after bad debts, depreciation, etc., amounted to $19,865 which was added to the previous surplus of $18,213, making $38,078 carried forward in the profit and loss account.

The working capital position of the company continues exceptionally strong. Of assets worth $1,317,232 at the end of last year, current assets aggregated $1,018,226 as against current liabilities of only $13,296. Cash on hand and call loans recorded a marked improvement, rising from $203,534 to $631,043. Both accounts receivable and inventories were reduced during the past year.

Property account is shown in the 1932 balance sheet at $299,006 after depreciation, making a total of $1,317,232 for all assets. In the previous statement property account was shown as $319,260 and all assets at $1,292,469.

There is no change of importance among liabilities. Capital stock outstanding remains unchanged. Bad debt reserves have been increased from $85,983 to $91,983.

Foundation Co. Will Start Work On B. C. Bridge

From Our Own Correspondent

VANCOUVER.—Construction of the substructure of the Second Narrows Bridge to replace the span connecting Vancouver with the north shore of Burrard Inlet, which was destroyed some two years ago, will be undertaken shortly by the Foundation Company of Canada, whose bid was accepted by the Dominion Government.

Foundation Company of Canada is associated with Vancouver Drydock & Salvage Company, which prepared some of the plans for the job and which will carry out the underwater part of the contract.

This is the first job of the kind to be handled by the Foundation Company in Western Canada for some years. The company has hitherto confined its activity to the East, where it built several hotels, industrial plants, tunnels, bridges, etc. During the shipbuilding boom in the closing years of the war and immediately afterward the company operated a shipyard in Victoria, where several wooden ships were built.

Plans for construction of a $6,000,000 suspension bridge across the First Narrows at the entrance to Vancouver harbor are still under consideration, and it is stated that British investors will advance the necessary funds if the required land concessions and other guarantees are made.

ANGLO CANADIAN PAPER CUTS DOWN CAPITAL CHARGES

Replace Old Debentures With New Issue Carrying Smaller Coupon

From Our Own Correspondent

MONTREAL. — Anglo-Canadian Pulp and Paper Mills, operating at Quebec, have not suffered to the same extent as other Canadian mills from conditions existing in the newsprint market, according to a statement made at the annual meeting of the Daily Mirror Newspapers and Sunday Pictorial Newspapers in London. These papers have a controlling interest in the Anglo-Canadian mill. According to John Cowley, chairman of the companies, arrangements were completed for redeeming the 6½ per cent debentures of the Anglo-Canadian Pulp and Paper Mills and replacing them with securities bearing 5 per cent interest.

The net effect of this arrangement will be to release the Anglo-Canadian Pulp and Paper Mills of a very substantial sum each year for interest charges and will mean that the Daily Mirror and Sunday Pictorial companies, in addition to their considerable holdings of preference and common shares, will own 100 per cent of the debentures of that company.

Show Book Surplus

Anglo-Canadian Pulp and Paper Mills own, in Quebec, extensive timber limits and a modern paper mill, which is situated in the City of Quebec and is fully equipped to produce 150,000 tons of newsprint per annum. The surplus of assets over liabilities, excluding therefrom the guaranteed mortgage debentures of £3,000,000 as at December, 1932, was round about $22,000,000, which represents, at $4.12 to the £1, over £5,300,000.

For the twelve months ended 31st December last, the Anglo-Canadian Pulp and Paper Mills had a surplus on its year's working, after allowing for depletion, depreciation and debenture issue.

G. B. AND C. TRUST EARNINGS BELOW INTEREST ON BONDS

Equity Back of Bonds About 60 Per Cent of Par Value

From Our Own Correspondent

MONTREAL. — Net income of Great Britain and Canada Investment Corp. during the year ended March 31, 1933, fell short of meeting interest requirements on the company's outstanding 4½ per cent debentures. Gross revenue of the company amounted to $235,318, as compared with $411,264 in the preceding twelve months' period.

During the past year, directors of Great Britain and Canada Investment Corp. made certain changes in the company's holdings, notwithstanding the heavy losses on realization which have been charged to capital reserve.

The book value of holdings at the end of last March was $8,093,451 as compared with the market value of $2,997,514. This is equivalent to about 60 per cent of the par value of bonds outstanding. On the same date a year ago the book value of investments was $8,332,272 and market value $4,199,815.

Since the close of the last fiscal year it is pointed out that the market value of the company's investments approximated $3,468,000 on May 9.

Surplus Account Lowered

Particulars of the income account for the past two years follows:

	1932-33 $	1931-32 $
Invest. rec.	221,081	380,296
Stock div.	13,006	27,858
Int. earn.	1,231	3,110
Total inc.	235,318	411,264
Expenses	10,690	15,314
Balance	224,628	395,950
Interest	229,426	259,567
Net rev.	*4,798	136,383
For. exch. loss	23,453	18,508
Balance	*28,251	117,876
Taxes	2,713	3,867
Balance	*30,964	114,008
‡Spec. exp.	4,063	......
Balance	*35,027	114,008
Pfd. div.	......	100,000
Surplus	*35,027	14,008
Prev. surp.	150,878	143,226
P. & L. bal.	115,851	157,234

*Debit.
‡Reduction of preferred stock.

Retire $109,000 Debentures

The balance sheet of Great Britain and Canada Investment Corp. at the end of last March showed assets aggregating $8,292,556 compared with $8,506,429 at the close of the previous year.

A call loan of $54,000 which appeared among last year's liabilities has been eliminated. There was a reduction of $109,000 in the outstanding convertible debentures, making the total of that issue now in the hands of the public $5,038,000. There is no change in the outstanding preferred stock, which is now in arrears of dividends to the extent of $300,000.

Current assets of the company show an improvement. Cash in banks remains much the same. Guaranteed funds on deposit amounting to $45,000 and $14,341 of accounts receivable are two new items in the current report.

VICEROY MFG. EARNS INTEREST SALES ARE GOOD

Profit Margin Lower But Volume Better; Redeems Bonds

Viceroy Manufacturing Co. earned $48,600 in the year ended February 28, 1933, covering bond interest charges of $18,135 some 2½ times and providing for depreciation of $29,969. Sales in the period were $560,762, a decline of 9.4 per cent in dollar volume over the preceding year, while the decline for the whole rubber industry is stated to have been 26 per cent. Physical volume of sales has been increased, the increase being more than offset by decline in prices.

The company's first fiscal period was the 18 months ended February 29, 1932, and figures are not therefore comparable with those for the year just ended.

INCOME AND SURPLUS ACCOUNT

	12 mos. ended Feb. 28 1933 $	18 mos. ended Feb. 29 1932 $
Profit	18,631	....
Less: Bond interest	18,135	....
Net profit	496	§34,884
Pref. dividends	....	12,525
Surplus for year	496	22,359
Add: Prev surp.	104,503	146,406
Surp. on redemp. of pref. stock	....	29,177
Less: Res. for crude rub. purch.	....	98,438
Bal. carried forward	104,999	104,504

§After bond interest.

Working Capital

As at Feb. 28:	1933 $	1932 $
Current assets	256,774	304,587
Current liabilities	141,737	161,879
Working capital	115,037	142,708
Ratio	1.81—1	1.89—1

Fixed assets are up $25,000 to $759,249 before reserve for depreciation which has been increased to $80,763 from $50,794. Bonds outstanding have been reduced by $11,000 to $279,000. Reserve for crude rubber commitments is down to $10,049 from $30,607. There is outstanding $377,000 of $25 par value preferred stock and 25,000 shares of no par value common stock.

National Breweries Aided by U. S. Trade

From Our Own Correspondent

MONTREAL.—National Breweries Co. is reported to have completed arrangements whereby their products are now imported and distributed by A. Schale Inc. in New York. Although shipments across the border have only been made within the last month, early indications are encouraging with respect to volume of sales.

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Clocks *and* Hearts

Too prolonged overstrain at any age in life may cause heart trouble. There are, however, three general groups of heart difficulties:

FIRST—*the heart troubles of young people caused by diseases of childhood. Rheumatic fever and rheumatism (associated with "growing pains," tonsilitis and stiff and painful joints) frequently cause heart disease. Diphtheria, scarlet fever and measles may injure children's hearts.*

SECOND—*heart diseases of middle-aged people resulting from syphilis, toxic poisoning, or focal infection in teeth, tonsils, sinuses and elsewhere.*

THIRD—*heart ailments of old people which may result from one of these definite causes or from hardening of the arteries.*

Many people whose hearts have been damaged are adding years to their lives by hygienic living, rest and intelligently balanced exercise.

WHEN you look at a beautiful clock which has kept almost perfect time for nearly a hundred years, you marvel at the skill of its maker.

However, it could not have kept ticking 31,536,000 times a year if it had not been regularly inspected and kept in good repair during its long life.

But far more remarkable than the old clock is the engine made for you by Nature, which pumps faster than the clock ticks—your own heart which has throbbed more than 35,000,000 times a year with no stopping for repairs. Your very life depends upon its continuing ability to pump blood to all parts of your body.

Do you take good care of your heart? It will serve you longer, make you happier, make your life more worth living if you do not abuse it and if you do not neglect it in case it beats too fast or too slow, too faintly or too violently.

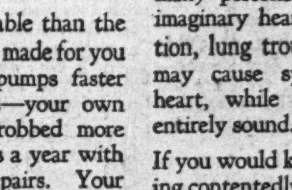
A man with a bad heart—*who has learned how to take care of it*—frequently outlives men who persistently abuse their hearts. Some of the most efficient and useful people in the world have had heart trouble for years.

In sharp contrast to people who have real heart ailments are the many persons who worry about imaginary heart trouble. Indigestion, lung trouble or nervousness may cause symptoms near the heart, while the heart itself is entirely sound.

If you would keep your heart beating contentedly, like Grandfather's clock—seventy, eighty or perhaps a hundred years—give it attention—at least an annual examination by a competent doctor. He will tell you what to do if it needs help or special care. The Metropolitan will be glad to send you its free booklet, "Give Your Heart a Chance." Address Booklet Department 5-F-33.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT



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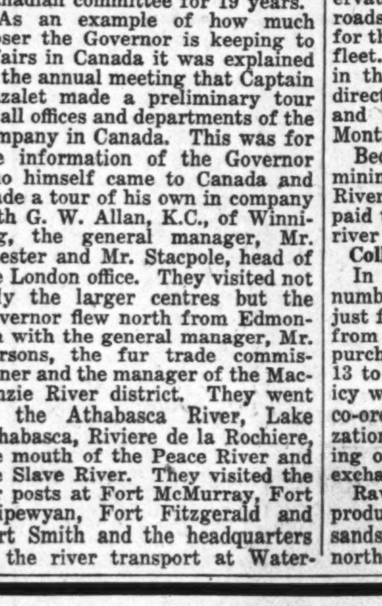

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Stop and Shop Staging Comeback Under Control of R. H. Hommel

Builder of Successful Chains is Now Adding Another Achievement—Profit Succeeds Losses

Stop and Shop, Ltd., is convalescent after a long and serious illness brought on by exposure to a prolonged depression before too quickly acquired chain store systems had been properly digested. Major operations involving the use of the knife on unprofitable assets and unwieldy capital structure have been successful not only as operations but they have apparently helped to cure the patient as well. Central figure in securing the operating change has been R. H. Hommel, chosen to manage the system because of his exceptional record as a successful builder and manager of chain store organizations.

The career of Stop and Shop in the last few years has been a second Pilgrims' Progress out of the Valley of the Shadow of deficits and fear of bankruptcy into the sunlight of solvency and a small profit. The profit of $12,231, after bond interest and adequate depreciation, may not seem large, but it is a refreshing change from the loss in the preceding year of $85,259 for 11 months, of $2,323,081 in the year ending March 28, 1931, and of $215,024 in the year ended March 29, 1930.

The Financial Post is informed that though gross earnings in 1932 are not shown the total exceeded that for the preceding year, and actual turnover in the fiscal year of 1933 is substantially greater than for the same period last year. The improved situation shown in the last financial statement is, therefore, continuing to date and company executives believe that if present trends in commodity values continue the position of the company will be even more improved during the rest of the year. Bond interest, which was not earned in 1931-32 was earned two and a half times in 1932-33.

How Cure was Effected

Principal changes by which this company has been taken from a losing position to one that now shows a profit and apparently permits of future advance, were as follows:

1st. Securing of expert management;

2nd. Prompt action in elimination of 50 unnecessary and unprofitable stores;

3rd. Using money obtained from sale of unneeded assets to reduce bonds, thus reducing overhead expenses;

4th. Prompt changes in methods by the management in 110 stores retained to conform to the new conditions which arose after 1929; and

5th. Intensive training of personnel.

The most important step was the selecting of a man who had already proven himself in the field of chain store management, a man who had already been successful both with his own chain and with chains of others, and who had shown himself to be possessed of knowledge, method and initiative.

Difficulties Gather

To understand his problem and that of the interests who chose him one has to dip back a few years into the history of the company. Consolidated Food Stores, the predecessor company, was a combination of Arnold Bros., the first Canadian chain to handle both meat and groceries, and Pure Foods Stores Ltd., of Montreal. Arnold Bros. chain had been a very small chain until in 1927 it acquired the 66 stores of the William Davies Company, which was probably the first meat chain store system in Canada. Troubles began soon after in the efforts to convert the William Davies stores from selling meat only into meat and grocery stores. The meat manager was not in a position to handle groceries successfully because of lack of experience in that department and grocery managers were needed for each store. Some of the stores were not large enough for both departments.

In 1928 there was an amalgamation with Pure Food Stores of Montreal. Under the ownership of the parent company, Consolidated Food Products Ltd., these stores did fairly well. They paid preferred dividends, but the Pure Foods Stores were only grocery stores. After these were acquired in 1928, the parent company acquired Piggly-Wiggly, a Montreal company, and the George Arnold chain in Toronto. All these businesses were finally brought under one corporate roof when reorganization occurred in 1932 under the name of Stop and Shop, Limited.

Eliminating Waste

The process of elimination of duplicate stores and of revamping the new stores nearer to the ideal of executives has proceeded vigorously. Up to two and a half years ago the company, because of rapid absorption of two or three minor chains, operated more than 160 stores. Naturally, in some districts there was conflict of interest between some of these stores and as business became more keenly competitive in the depression period this waste effort became more apparent.

In the face of growing difficulties in financing and operation the principal interests began to cast about for management of a superior type in order that the most possible might be made out of what was felt to be the inherent possibilities of the company. As a result of arrangements made then and dispositions since that time the present administration of Stop and Shop, Ltd., is under the direction of R. H. Hommel, H. Berg, George Wright of Montreal and G. C. Anspach.

Mr. Hommel started in the chain store business in 1913 in Chicago in partnership with John N. Sarther, who is now vice-president of Loblaw's in Chicago. They built up a chain of 42 stores in Chicago and these were finally sold to the American Tea Company. From there Mr. Hommel went to Madison, Wis. In association with his brothers he ultimately built up in

ROBERT H. HOMMEL

President of Stop and Shop Ltd., which showed striking gain in earnings in 1932.

that state a chain of 85 stores which were subsequently acquired by the Kroger Company, at a price which took into account the favorable situation created by Mr. Hommel.

During the period in which he had built up this chain system Mr. Hommel had contracted other affiliations including important connections with banks. In selling his chain it had been his intention to devote his time to financial and other enterprises. However, being approached by principal interests connected with Consolidated Food Stores, he was attracted by the possibilities of the chain store business in Canada and agreed to undertake the management and restoration of the Arnold chain in Toronto. In doing so Mr. Hommel abandoned substantially all of his original affiliations and practically all of his interests are concentrated in Stop and Shop, Ltd. He recently became president of Mercury Mills, Ltd., where his knowledge of the fundamentals of merchandising and organization have been of great assistance. That is his one outside affiliation at present. It is interesting to note that, after selling out to the Kroger Company, Mr. Hommel spent some time negotiating for the purchase of other chain store systems on behalf of the Kroger organization.

Stop and Shop, Ltd., is 98 per cent Canadian in personnel and ownership. Practically all of the employees are Canadian with the exception of Messrs. Berg and Anspach who had been affiliated with Mr. Hommel in his operations for a number of years. They have been of great assistance in bringing about the favorable outlook for the company, along with Mr. George Wright who is in charge of Montreal operations and is a Canadian.

One of Mr. Hommel's first acts on arriving in Canada was to make a complete survey of the chains controlled by Consolidated Food Stores in order that he could close unnecessary stores and eliminate the waste effort necessarily accompanying duplication and that he could adopt effective measures to rejuvenate and co-ordinate the operations of the 110 stores which remained in the system. It was naturally some time before these economies and reforms could be made effective but the results strikingly confirm the wisdom of the policy

School to Train Employees

One of the major policies instituted by Mr. Hommel is in the training of help. He believes in and has put into effect the idea that it is absolutely important to the success of an organization to have employees trained to give high quality of service willingly and courteously. To ensure this he felt it best that new employees for various stores should have a period in the training school so that the policies of the organization in these respects would be known and afterwards rigidly adhered to.

As for each store, his prime requirement has been that a combined meat and grocery store should aim at and achieve absolutely cleanliness. To some who protested at first that it would be sufficient to look after those parts of the store which were most in public view and to give attention to other parts as time permitted he replied, "washing your face is not the same as taking a bath."

Wants Personal Element

From experience gained in building up his own chain stores, Mr. Hommel is a great advocate of trying to preserve in individual branch stores of a chain that personal element which was the strength of the old time grocery store, presided over by its own proprietor. In those old stores the proprietor had the incentive of profit and also used to have assistance at times from his wife or from other members of the family.

For that reason Mr. Hommel encourages the securing of saleswomen in various stores and is glad to see the wives of his managers assisting in the conduct of any store. As managers are on salary and commission they have the incentive which the old store proprietors used to have, and at the same time with the help of central organizations the endeavor is continuously to improve on methods. The object is to unite what is best in the chain store system with what is best in the old system where each store had a separate owner.

Cutting Out Inflation

By taking a write-down of assets of $1,656,388 in the year ended March 28, 1931, the balance sheet was rid of inflated figures. In that year bond interest amounted to $94,007 and in the 12 months ended February 25, 1933, to only $41,110. The sale of properties and equipment no longer needed has therefore been of advantage and has enabled the company to buy in Arnold Bros. six per cent first mortgage bonds due 1947, so that instead of a total issue of $1,271,000 some years ago there were outstanding on February 28 last only $666,500.

The capital reorganization in 1932 also brought the capital structure in line with the changed conditions and prospects of this time. Instead of class A stock of $1,056,300 and old common stock of $1,595,307 the company is now able to show preference stock in its balance sheet at $555,500 and its new common shares at $91,797. This has enabled the company to remove from its assets practically all the intangible items and to take care of the $500,000 of deferred bills and notes payable shown in previous balance sheets.

Economic History Repeats Itself

Wisdom and Fallacy Down the Ages

FOOTNOTE TO TECHNOCRACY

"It is proved in this evidence (taken before the committee of the House of Commons on the factories bill) that in an unwholesome and destructive atmosphere, labor, to which the strength of a full-grown man is not more than proportionate, is imposed upon children of the most tender years; that worn-out nature, fainting beneath the unequal task, is stimulated to exertion by chastisement, sometimes of the most barbarous kind; and that a few years' occupation leaves the helpless victims of these unfeeling masters, the diseased, deformed, disabled inmates of a workhouse.

"Cripples are brought before the committee to display the deformities of their limbs, and to tell how this merciless infliction of labor at an early age crooked their legs or dislocated their shoulders; all describe the treatment they experienced as hardhearted and inhuman in the last degree; and one witness exhibits, as a specimen of the instruments which the brutish superintendents in factories commonly use to beat children with, "a heavy rod of from two to three yards long, and of two inches in diameter and with an iron pivot at each end."—*From the London Times of January 11, 1833.*

* * *

DEPRESSION OF PLENTY, 1884

"To me, at least, it seems clearer than ever before, that the critical time—the parting of the ways finally—has come. Often before within living memory there have been times of depression and stagnation in trade, but never anything like that of the present time. One universal cry of distress is going up from every great trade and industry in the land. And what is the cry? Surely, my friends, the strangest that ever went up from any great trading community till now. 'Too much corn,' 'too much cotton,' 'too much sugar,' 'too much labor,' too much in short of every species of wealth, and yet our merchants and manufacturers are being ruined, while two-thirds at least of our people are underfed, badly clothed, miserably housed. Does anyone believe this can last? Power is passing rapidly into the hands of those who are underfed, badly clothed, miserably housed. How long, with all their patience, will they respect these huge and unused accumulations of all that they and their children need?"—*From an address by His Honor Thos. Hughes, Q.C., Dec. 6, 1884.*

* * *

The quotation from the address of Mr. Hughes is from the collection of Maj. H. G. L. Strange, Winnipeg.

Will Is Necessary To Protect Heirs

Rigid Laws of Intestate Succession Bind Disposal of Estate if No Will is Made; May Be Inequitable

The making of a will may be likened to the preparation for a journey of exploration where the objective is known and plans must be made to take care of any emergency that may arise. The success or failure of the expedition may depend in large measure on the painstaking care used in the selection of food and equipment and in the selection of personnel. Similarly an estate that has taken years of sound management to build up may be subject to many vicissitudes if its proper disposal is not carefully planned in advance and its administration left in competent hands.

Few men or women who have been successful in building up an estate have not given some thought as to how their assets should be left in the event of death. In all too many cases, however, consideration of the steps that can be taken, to protect the heirs is not as thorough as it might be. A man may bequeath his entire estate to his wife but unless proper provision is made he can have no definite assurance that after his death the estate will not be dissipated through ill-advised investments. Unless the prospective heirs have sound business judgment and experience protective measures should be embodied in the will.

Legal Advice is Advisable

A will is merely the distilled essence of the care and thought expended by a testator in the disposal of his or her estate; a written statement, properly signed and witnessed, which has a legal status in the eyes of the courts. It is an intensely intimate document that demands the greatest personal attention yet its interpretations and the carrying out of its provisions depend to such a degree on legal practice that the services of a lawyer or a trust company should be enlisted in its making. Experienced in the drafting of wills, the lawyer may easily save many times the cost of his comparatively small fee by some change that might be overlooked otherwise. If, as has been often said, the making of a will is the most important act in a man's life, then proper care should be taken in its preparation.

While the desirability of making a will is generally recognized, some of the objections to not having a will may well be outlined since many persons die intestate due possibly more to procrastination in getting their ideas into a written statement, properly drawn and witnessed, than to negligence in considering the disposal of their estate. The drawing of a will does present very real problems which may take time to work out but life is uncertain at best and the unwritten will has no more value than the unwritten life insurance policy once death has come. The will, when written, can be revised or rewritten. If the making of a will is left until it is too late the division and administration of the estate is left in the hands of the law.

Will is Desirable

When no will is left the estate of the deceased is divided by law as provided under the laws of intestate succession in force in the various provinces. First, however, it is usual that an administrator be appointed by the Surrogate Court. This appointment may be made on the application of the next of kin to the deceased and letters of administration granted. The administrator corresponds to the executor appointed where a will is left but since the deceased has left no instructions for disposal of his estate the administrator, deriving power from the court, must follow the legal procedure laid down for such cases and such procedure is not equally satisfactory for all estates.

The laws of intestate succession vary to some extent in the different provinces. In Ontario, for example, if a man dies, without a will, leaving a wife but no children, the wife gets $1,000 and half of the remainder of the estate while the other half goes to the next of kin, or, if there is no next of kin, it goes to the crown. If there is a wife and one child, each takes half of the estate but if there is more than one child the wife receives one-third of the estate and the balance is divided among the children. In the latter case if any of the children are dead but have left issue these children share in the estate. These are examples of the distribution of estates of intestates to the immediate family only but provision is made for a great many distributions depending upon the nearness in relationship of the various legal heirs left by the deceased.

Naturally such an arbitrary division of an estate might fail entirely to follow the wishes of the deceased and might be quite unfair. There is the case of Mrs. A whose husband died leaving her with two small children to support from the proceeds of a $10,000 estate of which $5,000 was in real estate. Mrs. A was entitled to one-third of the estate and the remaining two-thirds was divided equally between the children who are not capable of consenting to any disposition of the estate until they reached the age of 21 years. Because of high taxes it was necessary to sell the house and the children's share of the proceeds had to be paid into court and there held until they became 21 years of age. The court may order certain payments made from time to time for the children's maintenance but Mrs. A's power to deal with the estate in the manner most suited to her straightened circumstances is considerably curtailed and she cannot use the proceeds of the sale to buy another smaller and more suitable house in the country in which to shelter her children. Mrs. A's husband could have avoided such a condition by leaving a will.

Administrator is Held Liable

But even should the division of an estate be according to the desires of the deceased there are many other considerations which should be regarded in order that the heirs can get the most benefit from the estate and not be subjected to avoidable loss. Under the law, the administrator of an estate is held liable for unnecessary loss and is limited in the investments which he may make. Securities which may form part of an estate but which do not conform to requirements of trustee investments must necessarily be sold as soon as possible and such liquidation may entail loss. Heirlooms of great sentimental value but little intrinsic worth may have to be sold. Real estate offers other problems which will be brought out in subsequent articles in this series.

Where minors share in an estate, and this is often the case, they cannot sign off any rights or give the administrator any release from liability and this causes the administrator to liquidate the estate as rapidly as possible in order to avoid being held liable for any losses that might occur through postponement of sale in order to take advantage of a better market. This frequently results in assets being sold or a business being wound up at a time that is not the most opportune and at prices which may diminish the value of the estate. Again, shares of a minor under an intestacy are not necessarily held in trust for them by the court. There is no provision that the amount accruing will not be dissipated or invested unwisely and only by making proper provision for a trust through the medium of a will can the interests of some beneficiaries be protected.

Who Will Handle the Estate?

The type of administrator who can handle an estate to the best advantage with due regard for the interests of the heirs and the wishes of the deceased is not always selected by the court when no will is left. In the appointment of an administrator the court recognizes the closeness of relationship rather than business ability. In the choice of an executor named in a will the testator will have cognizance of many factors and will make the selection best suited to the needs of his family and his estate. In the event of a man dying without a will his wife might presumably be appointed administrator since she is next of kin. What experience has this woman had in handling the various types of investment that comprise the estate? On whose advice can she depend in the administering of the estate to the greatest advantage of the several heirs? Will she take this advice or will she be influenced by unsound counsel and the high pressure sales talks to which she may be subjected? Is it fair to the wife to pass on such problems to her, possibly with little or no notice?

Having built up an estate a man owes it to his family and to those he wishes to benefit to arrange his affairs in such order that the proper management of his estate will be continued after his death. The avoidance of unnecessary losses and unnecessary trouble to his heirs is made possible in the making of a will. Postponement of this important step may substantially lower the ultimate value of an estate and result in unfair distribution for which there can be no atonement. The next article in this series will deal with the planning of a will and subsequent articles will deal with problems that should be considered in leaving an estate.

Editor's Note: This is the first of a series of articles covering the important considerations with which a man is faced in making a will. The second article will give an outline of "How to Prepare a Will" and will appear in The Financial Post at an early date. The articles in the series will be made available in booklet form after appearing in The Financial Post.

BOOKLET POINTS OUT FUEL BILL SAVINGS

Insulation Suggested as Means of Cutting Coal Costs in Houses

Insulation of houses as a means of reducing coal bills in winter and keeping inside temperatures low in summer is the subject of a booklet just published by the Dominion Fuel Board. The author of the booklet, which deals extensively with the application of insulating materials to both new and old houses is G. D. Mallory of the National Development Bureau, Department of the Interior. Present lows costs should greatly encourage the use of the class of materials known as heat insulators. the booket states.

Mr. Mallory states that unavoidable losses amount to only about 30 per cent of the total heat which escapes from uninsulated houses. Of the remaining 70 per cent—the so-called avoidable losses—from 40 to 60 per cent, or 28 to 42 per cent of the total loss, may be economically prevented in the average house by employing an adequate thickness of insulation.

The booklet, which is entitled "The Insulation of New and Old Houses," may be obtained from the Dominion Fuel, Ottawa, at a cost of 15 cents.

Card Index President Takes Counsel With Strangely Assorted Advisers

Guitar-Playing Treasurer; Mountain Boy Foreign Minister; Silver State Senator Among Intimates

By Staff Editor

WASHINGTON.—One never knows where President Roosevelt is going to turn next for advice. While he is surrounded by a group of intimate counsellors, with or without government posts, there are only two or three of these who are taken into his confidence on all matters. The others are brought into conference for a few feverish days and left out in the cold when presidential attention switches to another subject.

One Washington correspondent says Roosevelt has a "card-index" type of mind. He changes his counsellors with reference to their usefulness for the work in hand. He extracts them from their file envelopes when he wants them; and lets them gather dust when he does not.

With monetary policy and foreign problems much to the fore the two members of his cabinet on whom he has recently relied are Secretary of the Treasury, W. H. Woodin and Secretary of State Cordell Hull.

Musical Car Maker

Secretary Woodin is a business man, once counted as a Republican supporter. He was for years president of the American Car and Foundry Company. He started life as a plant manager and drove himself forward to executive control of the company. When he became Secretary of the Treasury he had to resign from numerous directorates. He is a big business personified; the only representative of big business around the president.

He is heart and soul with the president in his liberal programme, at least outwardly. One does not know how great is his restraining influence.

Recently he absented himself from important presidential conferences. Rumors started that he was critical of the inflation programme. But he made it clear that only illness kept him away. He professed complete agreement with the president. His exact views are among Washington's current mysteries.

Interesting about him is that he is a musician of some ability. He has composed five symphonies and scores of lesser works. One of his productions was played by the Berlin Philharmonic Orchestra. He plays the guitar. He used to play it every night before going to sleep. He explains that he doesn't play the piano because one cannot take a piano to bed. Now he is kept so busy by the president that he can go to sleep without playing the guitar. He collects stamps and has other hobbies which he will not have time to practise for the next four years anyway. He is 65.

Kentucky Mountain Boy

Secretary Hull is no big business man. But observing his present dignity and polish one finds it difficult to believe that he was born in a log cabin in the Kentucky Hills. His early life reads like a biography of Abe Lincoln. This mountain boy was 15 when he first won the reputation of being a deep thinker, a reputation that has clung to him throughout life. He won a political debate. This determined his career. At 19 he was a delegate to a state convention and as soon as he was 21 he ran for and was elected to the state Senate. At 35 he entered the federal House of Representatives and made himself master of two subjects; tariff and taxation. He framed and sponsored the first income tax bill in 1913 and thus was a remote cause of the grief for many Canadian income tax returners.

A moderately protectionist Democrat, he prophesied doom for the United States from the constantly rising Republican tariffs. Now his prophesies have come true and he has a chance to reverse American tariff policies. As Secretary of State he will have to negotiate the new American trade agreements with Canada and other countries and can demonstrate if he meant what he used to say when he talked about the mad American pursuit of economic nationalism.

Also he has a chance to live up to a pre-campaign insistence that the war debts be slashed by 80 per cent to get them out of the way of world trade.

He is a clear thinking plain speaking man, with all the courage that characterizes his chief. He is 62.

Friend of Silver Mines

Just now Senator Key Pittman, of Nevada, is busy at the White House. He is not a member of the "Brain Trust" but he was one of the "Committee of Ten" who sat around on presidential sofas one night drafing the inflation programme. He will be an influence in managing American monetary policy.

There is an envelope for Pittman in the card index. For three days early in March the president had him constantly by his side planning moves in the bank crisis battle. Then he was put back in the envelope and knew no more about what was going on than what he read in the newspapers. Then after four weeks in outer darkness, where he had plenty of time to wonder what he had done to offend the president he was extracted from his file envelope, called to the White House and he has since been living a 30-hour day.

Senator Pittman was born in the south, 61 years ago. He joined the gold rush to the Klondyke after having practised law in the State of Washington. In Dawson City he saw that the miners needed a good lawyer to settle their disputes and to protect them from what they considered super-rigid governmental regulations. But it took two years residence to qualify a man to practise as a lawyer in Yukon territory and Pittman had to content himself with doing a little mining, and quite a bit of unofficial counselling.

Almost a Canadian

Had Canadian rules been less strict he might today have been a Canadian rather than an American politician.

The gold rush over he went to Alaska and began the practice of law at Nome, promptly getting himself elected to first district attorney of that then tiny community. He got the reputation of being the friend of the miner. People swore by him. Rex Beach and Jack London each put him in a novel as a central character.

He was married at Nome. He met the young lady who was destined to be his bride in Dawson City. She was up from California to see the gold rush, two of her brothers having struck it rich in a placer claim. Pittman wooed her, won her. When he established himself in Nome he sent for her. She asked him to wait until summer but he told her to hurry. She travelled hundreds of miles by dog team in the dead of winter—I was told 2,500 miles but this seems a great exaggeration—and married him at Nome.

Wins Silver Concession

He began to study silver and moved to Nevada where he built up an extensive law practice in Tonopah.

He has been fighting for 30 years to have silver given what he considers its proper place in the realm of money. Always he has harbored the notion that Great Britain is the sworn enemy of the silver miner.

The somewhat innocuous silver clause in the inflation bill is probably all he could wring from a sceptical president.

Pittman has been in the Senate for 20 years. He is still "the miners' friend." If silver regains its "rightful" place in world currencies he won't have much left to campaign for.

Feis is University Man

Another 30-hour a day counsellor of the president and a member of the Monetary Committee of Ten is Herbert Feis.

Herbert Feis is in the state department. He was appointed to that department by President Hoover but he is a close personal associate of the new president; his influence has been immeasurably increased under the Roosevelt régime.

Mr. Feis, who is a medium of medium height, somewhat stocky with impressively academic grey hair is just 40. He is a Harvard man who served in the navy during the war and went back to university life to teach economics at his alma mater, to serve as associate professor of economics at the University of Kansas and as professor of economics at Cincinnati. On the powerful, unofficial Council of Foreign Relations he was an influential student of America's economic interests abroad for two years, and was so well informed a realist that the State Department took him in 1931 as their economic adviser.

Is No Braggart

He is outspoken, quick thinking, and 100 per cent impervious to the wilier types of diplomatic pressure. I talked to him for half an hour; was impressed with his intellectual and physical energy; his confident size up of situations, his outward frankness and finally with his ability to keep the state's secrets to himself. He would be a hard man for a foreign negotiator to slip anything over. He is likely to wear well with the president; will probably be an intimate counsellor when some of the more braggart braintrusters have overstepped themselves and tripped to fall into the ashcan that is always waiting for over-confident, over-talkative intimate advisers.

Most amazing of the presidential advisers are Louis McHenry Howe and "Billy" C. Bullitt. Of them, more in a later issue.

Pound Sterling Devalued On 17 Occasions Since 1344

From Our Own Correspondent

MONTREAL.—Debasement of coinage or devalorization of money in its relation to gold is no new thing for England. Recent discussions in Washington and the forthcoming World Economic Conference have caused a great deal to be said and written about the devaluation of money. To some it is regarded as an unprecedented step, but records of English gold coinage show that since the days of William the Conqueror the value of the pound sterling in terms of gold has been changed 20 times, 17 of which were for the purpose of debasement.

Examining the record of the pound sterling shows that as long ago as 1344, £14.0.10 were coined from one pound troy of gold of the fineness of 23 karats and 3½ grains. At the present time one pound troy of gold of the fineness of 22 karats is converted into coinage having a monetary value of £46.14.6.

The manner in which the English pound sterling has been debased since the establishment of coinage on an official basis is set forth in the following table:

DATE	REIGN	FINENESS OF GOLD COINS		POUND TROY OF SUCH GOLD COINED INTO		
		KARATS	GRAINS	£	s.	d.
1066	William I	—	—	—	—	—
1280	Edward I	—	—	—	—	—
1344	Edward III ...	23	3½	14	0	10
1349	" ...	23	3½	14	18	8
1356	" ...	23	3½	16	0	0
1421	Henry V	23	3½	17	18	0
1464	Edward IV ...	23	3½	22	4	6
1465	" ...	23	3½	24	0	0
1470	" ...	23	3½	24	0	0
1482	" ...	23	3½	24	0	0
1509	Henry VIII ...	23	3½	24	0	0
1527	" ...	22	0	24	0	0
1543	" ...	23	0	28	16	0
1545	" ...	22	0	30	0	0
1546	" ...	20	0	30	0	0
1547	Edward VI ...	20	0	30	0	0
1549	" ...	22	0	34	0	0
1551	" ...	23	3½	34	0	0*
1552	" ...	22	0	36	0	0
1553	Mary	23	3½	36	0	0*
1560	Elizabeth	22	0	36	0	0
1600	"	22	0	36	0	0
1604	James I	22	0	33	10	0*
1626	Charles I	22	0	41	0	0
1666	Charles II ...	22	0	44	10	0
1717	George I	22	0	46	14	6
1816	George III ...	22	0	46	14	6
1821	George IV ...	22	0	46	14	6

*Increase in gold value.

Source—William Chaffer: Based on records of the Goldsmiths Company. These figures are worked out on a different basis to those used in The Financial Post's sketch of the pound sterling in the issue of April 29.

SEASONAL GAIN NOTED IN OUTPUT FOR NEWSPRINT

Decline from 1928 Levels Continues in Canada and States

From Our Own Correspondent

MONTREAL.—Newsprint production in Canada and the United States underwent a seasonal improvement in April, but compared with April output in other years, the past month was the most inactive for Canadian mills since 1925 and for American mills in the last two decades.

Mills in this country produced 147,759 tons of newsprint last month, according to figures prepared by the Newsprint Service Bureau. This compared with 137,078 tons in March, 1933, and with 176,660 tons for April last year.

American mills did not even record a seasonal gain in April production of 74,507 tons comparing with 76,566 tons in the previous month and with 91,235 tons in April, 1932.

Cumulative Total Lower

For the first four months of the current year Canadian mills produced 550,986 tons. This compares with 660,856 tons for the same period last year and with all-time record of 840,565 tons established in January-April, 1928.

United States mills turned out 292,602 tons for the first four months this year, a drop of about 80,000 tons from corresponding months of 1932. There has been a consistent decline in American production for many years past, even during the boom years of 1926 to 1929.

Shipments Also Off

Shipments by Canadian mills in April were ahead of production and showed an increase of more than 20,000 tons at 161,266 tons against 140,694 tons in March, while in April of 1932 shipments were 186,443 tons. Shipments by United States mills in April were 76,095 tons against 77,857 tons in March and 94,296 tons in April last year.

A Hope—or a Menace?

Those later years—do they hold the promise of leisure and enjoyment for you? Or is there a menace in the thought of that time when your earning power decreases and nature clamours for a let-up in the grind?

The Sun Life Assurance Company of Canada offers you a Pension Investment Bond which will ensure that your future responsibilities will be met and your comforts provided for.

Talk over your Insurance Problems with a Sun Life Representative

SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE-MONTREAL

Insurance for Buyer and Seller

Thinks Life Insurance Firms Overplay Investment Feature

Belief that the "investment" feature of life insurance had been overemphasized in the past and that the soundest course for the future was a return to the fundamental principle of life insurance as protection, was expressed by John S. Thompson, president of the Actuarial Society of America at the annual meeting of the association at New York last week.

He said:

"The present structure of life insurance has been built up on the merits of whole life insurance as distinguished from term insurance or assessment insurance. The appropriate extent of the 'investment' feature is indispensable. But it may be that the investment characteristics of our contracts have been overstressed, or, at any rate, have been stressed at the expense of the protection element of the contracts. Any development which restores the emphasis to the fundamental protection of life contracts, tends to place the emphasis where it belongs. Even if the rate of growth, by some standards of measurement, is not so rapid, the structure will be more stable and more thoroughly satisfying to its members."

Insurance Inklings

Monarch Life Assurance Company announces the following appointments:

W. D. BATTERS has been appointed Northern Alberta branch manager.

HAROLD MOTTON, formerly acting branch manager at Edmonton has been appointed agency assistant at Toronto.

E. G. DOUGLAS has been appointed branch manager at Hamilton, Ont.

Licenses Issued

National Surety Corporation has received a certificate of registry authorizing it to transact in Canada the business of burglary insurance, forgery insurance and guarantee insurance. C. H. Allen, Montreal, Que., has been appointed the company's chief Canadian agent.

Norwich Union Fire Insurance Society Ltd. has received a certificate of registry authorizing it to transact in Canada, fire, accident automobile, burglary, explosion, guarantee, inland transportation, plate glass, sickness, sprinkler leakage and tornado insurance and insurance against loss or damage to crops other than growing crops by hail.

Fraser Cos. Elect Hanson to Board

From Our Own Correspondent

MONTREAL.—R. B. Hanson, K.C., M.P., of Hanson, Dougherty and West, Fredericton, has been elected to the board of directors of Fraser Co's.

FIRE - AUTOMOBILE - MARINE - CASUALTY

WESTERN ASSURANCE COMPANY

Since 1851

(16 Years Before Confederation)

Western Has Been Insuring Against

FIRE: Including Rents, Loss of Profits; also Windstorm, Sprinkler Leakage, Riots, Strikes, Civil Commotions, and Explosions.

MARINE: Hull and Cargo, Ocean and Inland, Motor Boats, Yachts, Jewelry and Fur Floaters, Fine Arts, Motor Truck Cargoes.

AUTOMOBILE: Full cover: Fire, Theft, Public Liability, Property Damage, Collision.

CASUALTY: Accident and Sickness, Burglary, Hold-up, Plate Glass, Fidelity, Surety, and all forms of Liability Insurance.

Consult the Company or your Insurance Agent.

ASSETS over $8,000,000

LOSSES PAID since organization of Company in 1851 over $112,000,000.00

WESTERN ASSURANCE COMPANY

HEAD OFFICE - TORONTO

The Employers' Liability Assurance Corporation LIMITED

EXTRACTS FROM THE REPORT FOR THE YEAR 1932

REVENUE ACCOUNT

Premiums (Fire, Accident and General) Net	$31,707,115
Interest and Rents	1,363,535
	$33,070,650

BALANCE SHEET, 31st DECEMBER, 1932

ASSETS

Government, Provincial and Municipal Securities	$13,693,976
Railway Stocks and Debentures	18,193,440
House Property—Corporation's Offices, less depreciation	5,791,167
Branch and Agency Balances	6,322,878
Shares of Companies controlled	3,055,097
Amounts due from subsidiaries and other companies	457,735
Interest and Rents Accrued	409,200
Cash in hand and on deposit	1,827,947
	$49,751,440

LIABILITIES

Capital paid-up	$ 1,923,863
Insurance Funds	11,798,481
Reserve for outstanding losses, estimated	14,963,317
Amount due to subsidiaries and to other companies and Agents	1,249,133
Outstanding Commission and Expenses	1,169,519
Unclaimed Dividends	1,436
Deposits at Interest	36,055
Loan Account	435,000
Provision for Final Dividend, 1932	770,547
Outstanding Taxes	1,495,810
Investment Reserve	2,750,000
	$36,593,019
Net Surplus	13,158,421
TOTAL	$49,751,440

($5 taken as equivalent to £1 sterling)

JOHN JENKINS

General Manager for Canada and Newfoundland

Insurance Exchange, Montreal

DISCUSSES EFFECT CURRENCY CHANGE ON LIFE POLICY

Leading Actuary Comments on Proposals to Revalue Dollar

EQUITIES BENEFIT

While "Evidences of Indebtedness" Would Depreciate —No Need for Lack of Confidence

Comment on the probable effects of currency manipulation and revaluation on life companies and on individual policyholders featured the annual presidential address of John S. Thompson, president of the Actuarial Society of America, at the annual meeting of that body in New York last week.

The meeting was attended by a score of the leading actuaries of Canadian companies, several of whom are officers of this premier actuarial body of America. Election of officers for 1933-34 show J. G. Parker, actuary, Imperial Life of Canada, vice-president, while J. D. Buchanan, actuary, London Life, and H. H. Wolfenden, consulting actuary of Toronto, are members of the council.

Equities Versus Indebtedness

Currency devaluation, apart from other influences, would, he thought, tend to affect present policyholders with substantial equities in proportion to the type of asset held by the company in which they were insured. Thus those who held equities or "evidences of ownership" would probably find their position improved, while "evidences of indebtedness" would tend to be depreciated. Devaluation of the dollar, he pointed, would have no effect on policyholders entering subsequent to a change in the monetary unit, provided there were no further change.

His remarks in this connection were as follows:

"The results of any deliberate policy of inflation or of any devaluation of the dollar, upon the fortunes of life companies and their members might be so direct and so immediate that the problem cannot be too carefully considered or too thoroughly understood.

"It may not be out of place to mention that devaluation would theoretically have little effect upon the status of policyholders entering subsequent to a change in the monetary unit, provided there were to be no further change.

"But the disturbance with reference to the relative value of reserves (on old policies) created from premiums paid before and from premiums paid after any devaluation of the currency unit would bring out important results to policyholders with accumulated equities represented by a cross section of the assets of the company. Apart from other influences, evidences of ownership, indicating tangible wealth would tend to be increased in apparent value because of the increased number of monetary units or 'counters' required to express their value; evidences of indebtedness on the other hand, capable of being redeemed by the same number of units of decreased value would tend to be depreciated.

Depends on Asset Ratio

"The aggregate primary effect on the resources of a life company would depend upon the relative amounts of various sorts of assets. But, it must be emphasized, these are 'apart from other influences' and in appraisal of the latter we have few useful precedents to guide our thoughts. The weight of these influences will be appreciated when it is recalled that there have been, within our own times, remarkable swings in the purchasing power of the dollar in a period during all of which we have continued upon the gold basis.

"It may be assumed if any new fiscal policy is applied to the present situation, it will be limited to a mere 'priming of the economic pump.' If such an experiment is tried with restraint and understanding, it may be that the economic effects, in addition to the primary movement of prices and values just referred to, will be salutary and, as such, will in no way undermine that confidence in the stability of our financial structure which is the mainspring of the influences governing the building and maintenance of a life company."

Great-West Life Promotions

F. J. FREER P. S. BOWER F. G. WHITBREAD

Three promotions are announced by the Great-West Life Assurance Co., F. J. Freer, B.Sc., and P. S. Bower having been made assistant treasurers and F. G. Whitbread promoted to assistant actuary.

Prior to joining the company in 1930, Mr. Freer was superintendent of the Soldiers' Settlement Board. Mr. Bower has been connected with the company since 1925, being head of the statistical section of the investment department since 1929. Mr. Whitbread joined the actuarial staff of the company in 1924.

Depression Proves Value of Life Insurance Contract

Ontario Minister of Public Health Pays Tribute to Value of Insurance in Personal, Business Relationships

Address By HON. WILLIAM G. MARTIN, Minister of Public Welfare, Ontario

Within the last two or three years, when the boasted prosperity of the nations fell about their heads like a flimsy house of cards, many people came to appreciate that their only refuge was to be found in marketable reserves and securities that had been built up against the day of hard times and financial stringency. Then it was that the real worth of life insurance as a vital factor in social well-being became evidenced.

The ultimate result has been that, despite hard times, our citizens have been turning their attention to life insurance as a source of secure and safe investment, giving them a substantial return upon their capital and providing a means of protection and care for the members of their families and for themselves, should they survive, a comfortable subsistance in the even-tide of life.

Few Leave Estates

Statistics show that in a principal American city, out of 6,300 deaths, 3,900, left nothing at all, 240 left $300, 520 left less than $1,000 and 96 left $25,000. All this goes to show that while coersion is not possible and perhaps not desirable, every possible moral pressure should be brought to bear to induce the man to insure his life, for the purpose of protecting those dependent upon him and, if he survives the period of dependency of wife and family, the policy will come as a godsend to bless the declining years of his own life.

At the present time in Ontario we have 240,000 men, women and children receiving the benefits of direct relief, involving a monthly expenditure of two and a half million dollars. 42,000 aged citizens of Ontario are receiving old-age pensions at a cost of nine million dollars annually. 6,200 widowed mothers receive a monthly allowance which costs the province and the municipalities $221,000 a month. Therefore, in round figures, you have an outlay of thirty million dollars expended by the province on social welfare endeavors. This is a heavy responsibility but it is simply a cross-section of a world picture, and the situation is infinitely more serious in the older countries.

Whatever the need may be, it must be met, but at the same time we must be ready to recognize certain real dangers. One of them is the peril of over-paternalism—placing on the shoulders of the state social responsibilities too heavy to be borne.

Function of Insurance

In addition, every effort must be made to maintain the morale and independence of our citizens. It is here where life insurance presents a means of relief for the solution of many of our social problems. I am of the opinion that if we can inculcate within the mind and ambition of youth a desire to set aside, in the form of insurance premiums, a substantial proportion of their savings, to increase their investment as their resources and income will warrant, the day will not be far off when direct relief; namely, the provision of food, clothing and shelter at the expense of the public purse; old-age pensions; mothers' allowances and other forms of public beneficence will be reduced to a minimum.

When we read the details of a man's estate, that which he has left by way of insurance is the brightest spot in the picture, because it is worth its face value in hard cash and very often carries substantial profits as well. Wealth, to be of value, must be in usable form but, unfortunately, today many people are estate poor. They may own stock certificates, mortgages and real property a-plenty and yet have not a dollar of ready cash to meet the pressing obligations of the moment. The value of life insurance is that it provides available cash at a time when it is required and in difficult days like the present it is the timeliness of cash that provides the help which is needed.

Boon to Business Man

Life insurance is an unquestionable boon to the business man. It enables him to conserve profits. For example, $500 drawn from a business and representing business profits will purchase $20,000 of life insurance and, in the event of the death of the insured, will provide an estate for the family equal to many years of business profits, just as if he had lived out his full span of years as a business man.

In paying tribute to this great enterprise, may I say that, despite the fierceness of the storm of financial dislocation, life insurance has remained secure and unshaken and has firmly withstood the most exacting test emerging with a splendid record of progress, achievement and advancement.

Among the contributory factors that have enabled the people to maintain high courage and confidence in the midst of the most trying period in the history of mankind, life insurance occupies a distinguished and enviable place, and I might add that public confidence in the stability of life insurance was never so strong as it is today. The rapidly mounting business, the steady increase in the number of policyholders, bear eloquent testimony to the fact that the people have unbounded faith in this great enterprise as one of the foundation pillars of the economic strength of the nation.

I am informed that about 5,000,000 Canadian lives are insured for a total of over $7,000,000,000 and the fact that in Canada, not a dollar has been lost by the policyholders of any Canadian company, is something worthy of emphasis at a time when financial enterprises and industrial institutions of great magnitude are going down to defeat before the onslaught of economic forces that are arrayed against them. Canadian life assurance has been able to meet every demand promptly and at par without sacrificing, even in the present difficult and precarious times, one jot or tittle of the capital investments held in reserve against the ultimate obligations as set forth in the policy contracts.

FEW AGENTS RUSH TO SELL GOLFERS SPECIAL POLICY

Excellent Protection Offered But Agent's Commission is Small

A locker-room check-up made recently by The Financial Post in one of Toronto's leading golf clubs revealed the fact that out of ten members not one carried golfers' insurance and only two had previously hear of it. All were extremely interested, however, and are now hot prospects.

Even if the golf club were mentioned, however, there would be no rush of agents soliciting the business as this little known type of casualty insurance is so inexpensive that the returns to agents are not attractive. That is probably why you have not been pestered ere now and also why there is such a comparatively small volume of business of this kind in force compared with the Dominion's 100,000-odd golfers.

Replaces Broken Clubs

While property damage, loss by fire or theft and personal accident are attractive features of this golfers' policy, a big selling point undoubtedly is the insurance against breakage of clubs, particularly so to the adherents to hickory shafts. Loss by breakage covers breakage while in course of transit or while playing on a recognized golf course.

At a cost of $5 the golfer is insured against liability for accidents and damage to property arising out of playing golf on any golf course to the amount of $5,000 for any person injured and $10,000 for any one accident; loss by fire, transportation and theft, except theft in course of transportation, to the extent of $100, covering all golfing equipment, including clothes; and against breakage of clubs as mentioned above.

Insurance Inklings

LOUIS L. LANG, first vice-president of the Mutual Life Assurance Co. of Canada, was recently elected a director of the Canada Colonization Association to succeed the late C. M. Bowman, chairman of the board of the Mutual Life.

JOHN W. de FOREST, general agent for the Aetna Life at Buffalo, addressed the Toronto Life Underwriters' Association on May 18, his subject being "Getting Back to Fundamentals, or Selling Insurance under Present Day Conditions."

STANLEY L. KROMPART has been appointed divisional manager for the Confederation Life Insurance Co. with headquarters in Owen Sound.

HUGGARD & CO. has been formed in Winnipeg to conduct a general insurance business. The new company, under the management of J. C. Huggard, is the successor to Voorheis Insurance Agencies.

W. H. SCHMALTZ, managing director of the Economical Fire Insurance Co., Kitchener, died in that city on May 9.

Burglary Insurance is being refused on homes in Port Stanley owing to the increase in burglaries in that area, at least twelve robberies having taken place in recent months.

FREDERICK H. ECKER, president of the Metropolitan Life of New York, completed fifty years with the company on May 6 during which time he has risen from mail clerk.

THE MONARCH LIFE ASSURANCE COMPANY

A PROGRESSIVE CANADIAN COMPANY

Special Reserves and Surplus

OVER ONE MILLION DOLLARS

Offices in Principal Canadian Cities

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia

FIRE AUTOMOBILE WINDSTORM

Insurance in force over $250,000,000.00

Total Assets over 2,000,000.00

Agents required in Ontario

Write Eastern Branch, 2 Toronto St., Toronto, Ont.

THE WAWANESA MUTUAL INSURANCE CO.

Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

SEATTLE WASHINGTON

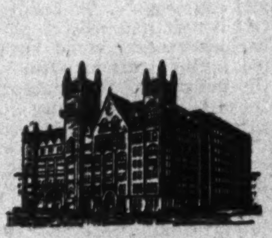
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax

HEAD OFFICE FOR CANADA HAMILTON ONTARIO

WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,497.10

ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

FINANCIAL INDEPENDENCE THROUGH LIFE INSURANCE



OVER 61 YEARS SECURITY AND STABILITY

TODAY . . . in the fullness of your strength, ambition and earning power, you confidently believe that you will have accumulated sufficient of this world's goods at 60 or 65 years of age, so that it will no longer be necessary for you to work for a living.

One way to be certain that you will be in this fortunate position is to invest a part of your present earnings in a Confederation Life Endowment Policy, to mature at age 60 or 65.

Investment in a Confederation Life Endowment Policy, with Total Disability Benefits, will accomplish three things—(one) provide immediate protection for those who may be dependent upon you; (two) provide, in part, for loss of earning power in the event of total disability, due to accident or disease; (three) when the policy matures, the entire proceeds will be available for you. When that time comes, you can choose whether you will take the Endowment in a lump sum or have it paid to you in the form of a monthly income as long as you may live. If you will fill out and mail the coupon below, we will tell you how this can be done.

Confederation Life Association,
Toronto, Canada.

Please send me particulars of your Endowment Policies, with Total Disability Benefits.

Name.....

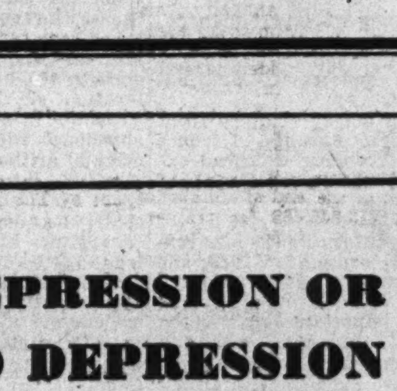
Address.....

Date of Birth..... *Occupation*.....

Confederation Life Association

Head Office Toronto

DEPRESSION OR NO DEPRESSION



This Man Retires . . . in Comfort . . . THIS YEAR

SOME CALL HIM LUCKY. He himself maintains it's simply a case of sound finance.

Thirty years ago he made some speculative investments and lost rather heavily. So then and there he decided he must make *sure* of an income in the years when his earning power would decline. Speculation, he decided, could guarantee him nothing. So he sought out the plan which would guarantee him cash on retirement to provide needed income. He purchased a GREAT-WEST Policy of Endowment at age 65.

Through four depressions with their intervening periods of prosperity he stuck steadfastly to his plan. Financial panics brought him no worry whatever. Boom periods left him with no regrets.

This year, at age 65, this man retires in comfort. He has a guaranteed income as long as he lives. He has never been troubled with investment worries, nor will investments worry him as long as he lives. We want *you* to learn all the advantages of this GREAT-WEST Endowment Policy. Send in the coupon now. No obligation.

THE GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE: WINNIPEG

Mail THIS COUPON

The Great-West Life Assurance Co., Winnipeg, Man. Box 159, Toronto, Ontario.

I am interested in your Endowment Policy. Without obligation send particulars. Dept. 67 D.

Name .....

Address .....

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security.

The service, in other words, is one of fact and not of opinion.

CANNERS SHOWS NEARLY $5,000,000 DEPRECIATION RES.

Executives Claim $200,000 Annually is Now Enough—Other Reserves

I would like your opinion as to the policy of Canadian Canners with reference to writing off depreciation. Does not $200,000, written off for the year ended February 28, 1933, appear rather small with a company showing property at more than $15,000,000? The two years before that they set up $200,000 and the year before that $400,000. If I remember rightly, nothing was set up for some years prior to that.

It appears to me that a company like this should write off about one million dollars a year for property worth $15,000,000.

During the last year the company bought an additional plant in Quebec, costing $100,000, but the property account has been increased by $200,000. A number of their plants have been idle. With only $200,000 written off, how do we know these were properly taken care of? Is depreciation on such plants more than on those in operation?

Your criticism is interesting but is partly based on a misunderstanding. Up to the end of 1928 the company published general balance sheets and deducted its depreciation before showing net earnings. Since that time it has given its shareholders consolidated balance sheets, a policy which is much more in their interest as affording a clearer view of the whole enterprise. The increase in the depreciation reserve in the years before 1929, however, indicates that amounts running from $600,000 to more than $1,000,000 had been written off each year from 1924 on. In those years the chief criticism from shareholders was that too much was being written off for depreciation and that it would be only justice to shareholders if the amounts were reduced.

Reserve Built Up Quickly

At the end of 1925 the depreciation reserve was $1,739,419 and on Feb. 28, 1933, $4,959,474, an increase of $3,220,055, or an average write-off of $460,008 annually. This might conceivably drop to an average of $400,000 if allowance is made for $400,000 hidden depreciation of subsidiaries in the general balance sheet period which would naturally be shown later in the consolidated balance sheets.

Fixed assets in the general balance sheet at the end of 1925 were shown at $13,845,468 for real estate, etc., and $1,344,500 for investment in subsidiaries, or $15,190,068 in all, and on Feb. 28, 1933, at $15,879,991 for "real estate, buildings, plants, trademarks, patent rights and processes."

Depreciation 30 Per Cent

Unfortunately this description of fixed assets makes it difficult for you to know exactly how depreciation should be divided as the report does not give separate figures for each item. A considerable part of the $15,879,991 evidently represents intangibles like patent rights and processes and trademarks. The figures making up the total are necessarily also appraised figures because much of the company's property was bought from eight to ten years ago, and as securities were offered in exchange the values had to be decided by appraisal. But even at that, reserve for depreciation exceeds 30 per cent of the total.

The question of value for such a company is difficult to determine. Selling value of many properties just now might not be much for many of the properties as no others could use them so profitably as the company. Real estate values have fallen in the last three or four years. Doubtless there would be losses if sales were necessary but, on the other hand, new properties obtained have come in at low valuations. Their going value to a joint concern is naturally much higher than their liquidating value. But $60,000 average depreciation reserve for each of the company's 80 units sounds adequate with the understanding that $200,000 additional depreciation write-off would add $2,500 to each unit a year. In years of better business, this would probably be increased, judging by the years prior to 1930.

Is $200,000 Enough?

Your central question is as to whether $200,000 is a sufficient depreciation reserve. We have checked it in several ways:

1. A review of 30 important companies shows that depreciation write-offs between $200,000 and $300,000 are quite common;

2. A check-up of the auditor's certificates for seven years back shows that the auditors, Price, Waterhouse & Co., have never questioned the adequacy of the reserve for depreciation although in the 1931 financial statement they did question the adequacy of the provision for exchange fluctuations and find that adequate in the present statement;

3. The reports of directors in nearly every balance sheet state that properties have been kept in excellent condition and occasionally refer to large amounts being spent out of earnings on improvements;

4. The company built up in these seven years a strong liquid position, which enabled it to establish a large investment and contingency reserve, and the losses on inventory and in foreign exchange in the last two years have shown that the executives were wise in concentrating chief attention on these ahead of depreciation reserve;

5. The company is still using buildings which are 50 years old and going strong; canning plants have only one fast-moving piece of machinery—closers—which are operated on a royalty basis, and therefore machinery depreciation is not so rapid as in many other industries; Canadian Canners has machine shops where machinery is rebuilt and kept in order, all this coming out of operating costs.

Last a Long Time

It may be added that many of the buildings, being intended for use only during the crop season have only a roof and not even sides and that the executives, considering the crop experience of 50 years, think it a good thing to have a certain number of idle plants ready to be used in a time of necessity. Some years of slim crops it may have to open all of them to get an adequate inventory.

To conclude, executives state that properties have been kept in excellent condition, that additions to property total in balance sheet represent actual values, that in their opinion $200,000 depreciation write-off is enough for a company with a 30 per cent reserve of nearly $5,000,000 already established against fixed assets which include intangibles, that depreciation is slow in this business and that the chief asset is inventories which the company has given preference and has protected as adequately as possible. There were other items of property increase and improvement in 1932-33 than the new Quebec plant.

Queen's Economists Find Company Laws Woefully Inadequate

Impartial Commission Needed to Recast Laws of Ten Rival Federal and Provincial Jurisdictions Into One Model Law Enacted By All Uniformly

DOORS WIDE OPEN FOR MULCTING CREDITOR

Holding Companies Should Be Forced to Publish Consolidated Balance Sheets With Full Information or Give Financial Statements of All Subsidiaries—Purchaser Does Not Know What He is Getting Under Present Laws Governing New Issues

In "Queen's Quarterly" for May members of the Department of Political and Economic Science and of the Courses in Commerce of Queen's University, have given their considered opinion as a whole after a series of discussions that fundamental and glaring weaknesses exist in Canadian laws governing companies and that these can be eliminated to the improvement of Canadian institutions and policies for the future.

This first valuable article in a series which promises to be of great interest and importance, specifically deals with that broad field covered with financial wreckage not due to the follies and crimes of high finance, the field lying between technical crime and foolish judgment. It recognizes that the criminal code has appropriate punishments for crime and that from his own folly a man cannot be saved by any legal code. But much unwise financing and expansion can be prevented if necessary safeguards are embodied in the law respecting the formation, financing and operation of limited liability companies.

Four Needed Reforms

Some of the main suggestions made in the course of the article are as follows:

1. An unhurried review of the whole field by an impartial commission as the only adequate method of approach to the formulation of a uniform company law for the ten rival jurisdictions in Canada;

2. Reform of these company laws on three main lines: (a) to restore the capital fund to its proper place; (b) to improve regulations for publicity in annual statements; and (c) to provide really significant information to persons invited to buy shares or other securities.

Promoting Interests Favored

The article states that, though, up to 1908 Canadian company laws followed English models, since that time they have failed to protect the investor against developments in promoting and in security-vending technique "with the result that promoting and financial interests are favored at the expense of the economic welfare of the community as a whole."

Much recent Canadian legislation has been retrograde in the opinion of the writers of the article, and resembles in some degree that prevailing in the unreformed days of 1855-1900 in England. The difficulty of reform of Canadian company law when there are ten competing jurisdictions was pointed out by The Financial Post and this is recognized in the article. The main obstacle to company law reform is not, however, this competitive bidding for incorporation by rival federal and provincial jurisdictions but failure of the general public through apathy and lack of organization to secure adequate representation when reform is under discussion. Promoters and security issue houses, being organized, are always well represented before legislative committees that frame the law.

The appointment of an impartial commission is regarded as the ideal way of framing a model law with the object of getting the public interest protected but the writers think this will be difficult to secure and therefore "a determined effort must be made to develop a powerful and articulate public opinion which cannot safely be ignored by any elective body."

Protecting Capital Fund

The restoration of the capital fund "to its proper place" has become of great importance since permission to issue no par value shares was given. The article holds that "the obligation to create a non-withdrawable fund of capital is an essential offset to the privilege of limited liability." In a partnership it would not matter as the creditor can enforce his claim against the private property of partners as well as against the business itself if funds are withdrawn. In the case of a limited liability company the creditor can enforce his claim only against the assets of the company "and it is therefore imperative that the members should be required to place an ascertained amount of capital in the company and to leave it there, and that the amount of this capital should be proportioned to the scale of operations of the company."

If the stock of a company is sold at a premium over par that premium can be set aside as surplus by the company and it is available, if thought advisable, for dividends. In Federal Ontario and Manitoba jurisdictions, however, no par value shares can be sold and the proceeds go partly into distributable surplus and the remainder to capital as directors think fit when fixing the price of issue.

May Defraud Creditor

In the case of a par value stock the purchaser knows just how much is premium but in the case of a no par value stock it would be possible to carry the whole of the issue price to surplus account and to repay it, less costs of collection and distribution, as dividends. The right given in 1930 to transfer to "distributable surplus" amounts formerly credited to the capital fund is regarded as exceptionally objectionable even though it has been modified by requiring consent of shareholders and can only be made effective "provided that the Secretary of State (or Provincial Secretary) is satisfied of the expediency and bona fide character of the move."

The degree of risk in extending credit as bondholder or other creditor to a company with no par value shares cannot be estimated under the present law because the amount of the fund can be reduced by repayment of contributed capital without the consent of shareholders and without their fore-knowledge. This hole in the law has been used by many Canadian companies, which have suffered heavy losses, to write down capital so that they can continue to pay dividends without complying with regulations for reduction of share capital. The transfer to surplus reduces the security of existing creditors by the amount transferred and "to allow such a transfer without requiring the approval of creditors or the discharge of their debts is to deny the root principle of all limited liability legislation since 1850."

Nine Millions Transferred

The following table shows transfers amounting to $9,000,000 under the Dominion and Ontario Acts:

	Capital prior to Transfer $	Transfer to Surplus $	Reduced Capital $
International Nickel ..	57,778,382	396,715	57,381,667
Blue Ribbon Corp. ...	1,000,000	165,000	835,000
Fed. Grain.	2,000,000	750,000	1,250,000
Babcock-Wilcox & Goldie-McCulloch*	1,127,140	27,140	1,100,000
Can. Ins. Shares ..	2,810,160	1,077,485	1,282,675
Foreign Pwr. Secs.	2,660,000	1,160,000	1,500,000
Prairie Cities Oil	1,274,618	124,613	1,150,000
Hamilton Herald* .	136,314	126,134	10,000
Canada Creosoting Co.	2,508,102	1,458,922	1,049,180
Third Can. Gen. Invest. Trust* ...	3,262,923	2,610,339	652,584
Maple Leaf Milling .	5,430,000	1,000,000	4,430,000

*These represented reorganization of structure.

More Publicity Essential

The article states that the second safeguard—publicity of accounts—which is essential where limited liability is granted, is not secured properly by the Canadian law. Clauses intending to make it necessary are inadequate and have been rendered entirely ineffectual by the growing complexity of business organizations and the tolerance of improper accounting procedure.

The sources of income, whether operating or non-operating, should be made clear, and holding companies should be forced either to publish consolidated balance sheets or the balance sheets of all controlled companies. Royal Mail Steam Packet Co., in England, for six years hid enormous losses of subsidiaries by maintaining an apparent surplus of the holding company. The same thing is possible in Canada. Companies with no par value share capital should be obliged to show on all published balance sheets the amount of statutory capital as distinct from surplus of any and every description. A single figure of "Capital and Surplus" should not be permitted although it is here a common practice.

The plan of creating secret surpluses needs special attention. Although full amount of such surpluses in special cases need not be disclosed, the article intends that any use of such surpluses to bolster revenue should be indicated. When current operations are not profitable shareholders and creditors have a right to know. It is also suggested that every public company should be required, as in England, to file at a public record office a copy of the balance sheet presented to shareholders at the annual meeting and of the auditors' report thereon.

Purchaser Buys in Dark

Regulations have become totally inadequate to enforce the third duty of promoters and others to give full information to all persons invited to take up shares. At one time all companies offering securities had to give in any prospectus the detailed information specified in the Act. The present method of selling shares to an investment banker who retails them has made the prospectus clauses nugatory. Not being obliged to give this information, he gives as little as possible and that favorable, protecting himself still further by repudiating (in very small type) responsibility even for the small information he has given.

The purchaser of a security in these days therefore does not know what he is buying and is without redress if he is misled. The repeal of the prospectus clauses in 1928 and 1929 by the provinces was accompanied by enactments of Security Fraud Prevention Acts and Companies Information Acts. All brokers had to be registered to sell securities within the province and to submit to law officers of the Crown information similar to that in repealed prospectus clauses.

Should Know Pertinent Facts

The Acts have been highly successful in protecting the public from technical fraud, but do not furnish the investor with means to judge the merits of a promotion which is not technically fraudulent. The investor should have a statutory right to information which will enable him to judge the degree of speculation involved in the investment, the motives and interest of promoters and the equity and control attached to each class of share or security outstanding.

The article feels that the purchaser should know the net price which the company receives on sale of a share to an investment banker. Some idea could be gained while shares of par value were sold but commission to salesmen or broker does not necessarily enter into sale of no par value shares. The investment banker buys at a price and sells at the best price he can. If he pays for the shares in assets rather than cash he should state what he paid for the assets. Without this information, that is, without knowing just how much money is received by the company for capital purposes, the purchaser simply does not know what he is buying. The investor is without any protection and if he had understood the matter it would have been impossible to dispose of shares of no par value on the basis of advertising matter which he has hitherto dispensed.

Present Laws Encourage Evils

The article concludes as follows: "It is important, however, to realize that a company law which would eliminate entirely such evils as stock watering and high pressure stock salesmanship would necessarily be so restrictive as to penalize even legitimate enterprise. The complete elimination of these scourges must wait upon the conversion of the financial interests to a higher sense of professional and moral responsibility. This is no reason to leave the laws in their present state in which they not only fail to restrain the evils but actually encourage them. Every possible means should be adopted to safeguard the vast number of investors who furnish capital to industry and commerce and by so doing aid in the economic development of Canada."

Enquiries

East Windsor

I hold a bond of Ford City, Ont. When is there a possibility of receiving interest on this bond?

No official statement has been given out by the Board of Supervisors of East Windsor, formerly known as Ford City. From statements made locally by some of the supervisors, however, it would appear that Ford City finances are still in very bad shape and there is little probability that bond holders will get a full return on the money they invested. It may take quite a time before they get any return at all. Within the last month or so, it was suggested that interest at the rate of 3 or 3½ per cent might be paid to bondholders starting immediately but objections to this were raised by supervisors on the grounds that the amount of taxes to be collected in the current year were indefinite at the present time and until the future was more definitely assured, no payments should be made.

You might write to John Appleton, Dominion Mortgage & Investment Association, 302 Bay St., Toronto, for further information and advise him of the bonds that you hold.

Manitoba Bonds

After making enquiry from bond houses for a safe investment, I was advised to buy Province of Manitoba 5½ per cent bonds, being assured that the finances of that province were in good shape and a major decline in price most unlikely. I bought some bonds in 1932 at a price of $96.75. I note the price today is $86.50—a decline of $10.25 per $100. Are the finances of that province such as to cause this drop in value or is it just a case of a dull market for western bonds?

The market price of Manitoba bonds in coming months may reflect economic conditions affecting the western provinces, just as much as it will reflect in the trend of high grade securities prices. The decline in Manitoba bonds, which you mention, is largely a result of unfavorable economic conditions in the West and failure of the province to balance its budget. As a result the market has been less agreeably disposed to Western provincial bonds, including Manitoba.

The Dominion Government has lent money to all four western provinces to help them with their financing. The Dominion now appears to be dissatisfied with the handling of the Manitoba budget. This merely means that the Dominion is just recognizing a position which has not been conducted along the soundest financial lines for some time.

Improvement in the price of wheat has been reflected by higher prices for Western bonds in the last two weeks. This shows how vital economic conditions are to Manitoba's credit.

Bell Telephone

Please be good enough to let me have your views on the capital stock of the Bell Telephone Co. of Canada. I hold a few shares in this company and am in a position to continue carrying the investment provided there is nothing inherently wrong in the company's position.

Bell Telephone Co. of Canada's operations and revenues have been affected by the adverse business conditions, resulting in a substantial decline in the number of stations installed, as well as in the volume of toll traffic. It has been necessary for the management to reduce the dividend on the capital stock. The balance sheet indicates a heavy liability in respect to advances made by the American Telephone and Telegraph Company, which will have to be repaid in American funds. Interim reports for the current year would indicate that there has been no marked improvement in the company's earning power. Every effort has been made to effect economies and to keep capital expenditures down to a minimum. The present time is an unusual and trying one for the telephone company and should be regarded as abnormal. Taking the long term point of view, operations of the Bell Telephone should be on an increasing scale, with regular and reasonable returns on the capital invested.

Paramount Deposit Agreement

I hold a few shares of Paramount Publix Corp., which shares were formerly Famous Players.

The "committee" formed in New York for the protection of Paramount shareholders two months ago requested deposit of stock certificates subject to terms of "deposit agreement." Have read the latter over carefully several times but must admit I fail fully to digest it and would appreciate your opinion as to just where the shareholder stands as regards said "agreement" after having deposited his stock certicates. I have not deposited mine so far. Should I do so?

Several committees were formed to protect security holders. There is the regular or official committee which has written you and which desires you to deposit your stock under the deposit agreement, and there was an independent committee.

The committee which has written you, includes John P. Bickell, a Canadian who owns stock in the company, and a number of other large shareholders who will watch events in the interest of the common stockholders. This committee has had influence enough to secure the certificates of deposit being listed on the New York Stock Exchange which is a considerable advantage.

You ask where the shareholder will stand with regard to deposit agreement after having deposited the stock certificate. By reason of the listing of the certificates of deposit he will be able to take advantage of any market value that may accrue to the shares at any time without getting his shares back. He may be called upon by the committee to pay transfer taxes if the committee thinks wise. The title in the shares will remain with the depositor or with anyone to whom he transfers the certificate of deposit.

The committee is given the right, however, to take as joint tenant, title to any or all of the depositor's shares, and the depositor agrees also to give any further power the committee may think necessary for carrying out the purposes of the agreement. The depositor agrees that the committee shall have the right to take whatever action he himself could take and to do whatever seems desirable to execute the agreement under any plan adopted.

In short, the committee may do anything when holding the shares that you yourself could have done, or any other shareholder could have done or all the shareholders could have done by getting together. You delegate your powers with the idea that a small committee so endowed with powers can act more efficiently and effectively. The committee is given the right to adopt and approve any plan for the protection of the interests of the depositors.

The agreement will expire on July 1, 1935, but can be extended for two successive periods of six months each. If no plan is adopted by July 1 or the extended date, the holder of certificate of deposit may withdraw by surrendering certificate of deposit and paying what is regarded as his fair share toward expenses to that time.

It is difficult to say just what article 8 with its provisions for nullification or withdrawal privilege means. The second section of article 8 gives the committee the right to nullify the withdrawal privilege if it has before July, 1933, abandoned the plan, modification or amendment with respect to which the right of withdrawal was to be exercised.

Ask the committee for an explanation as to the bearing of this on your right to regain control of your shares at some time.

Brazilian vs. Brantford Roofing Bonds

I have held for several years 80 shares of Brazilian stock which I bought at 60. It is suggested that I should sell these shares and buy Brantford Roofing bonds which I could buy at about 50, or half price. It is suggested that with these bonds, I would have steady income and a better chance for appreciation.

As a woman who has never been in business for herself, I find myself unable to decide which security has the best chance for the future. I would rather hold my Brazilian stock right through if there is a good chance of coming back to the old dividends and a reasonable expectation that the company may yet realize some of the expectations which led me and others to buy at around 60. Will you tell me the pertinent facts regarding these two companies?

Sales and quotations on bonds of the Brantford Roofing Co. have been running from 50 to 55, which indicates that the position is not thought entirely secure. Evidently some of the interests closely connected with the company think the future holds promise as they are reported to have been buyers.

The annual statement for the last fiscal year soon to be available, will probably show the bond interest to have been earned after depreciation. Bond interest was paid on May 1 and the report still is that it was earned. It must be added that the company owed the Bank of Montreal $230,411 on Oct. 31, 1931, and the bank held as security some of the company's own 6½ per cent first mortgage bonds. The company cannot be expected to realize its full potentialities except in a time when construction is active. Building is at present about as low as anyone can remember for the post-war period.

With regard to your Brazilian Traction, Light and Power Co. common stock, the company is understood to have maintained its business quite well in the face of depression when the earnings are measured in milreis, the currency of Brazil. The fall in the common stock really results from the fact that it is almost impossible to get dependable quotations on the milreis because in Brazil's present trading and business situation it cannot get enough of foreign currency to pay interest on government bonds or to allow payments of dividends on companies whose shareholders live outside of Brazil. No one can predict safely the course of a currency. No one knows if it is going to be inflated, or if it will improve in value. If it is further inflated, that is, if each milreis becomes worth less in Canadian cents, the situation will not be improved for the shareholders.

If, on the other hand, international arrangements now being made work out to the benefit of Brazil and it is able to keep its currency somewhere around 7 or 8 cents a milreis or even to improve on that, the result would be very good to the stock. One can only be patient and await the event.

North Star Oil

I would be grateful for an expression of your opinion as to the present position and future prospects of the North Star Oil Company of Winnipeg.

The situation in Western Canada for all oil companies has been serious in the last several years. Declining purchasing power of farmers has made it difficult for them to buy oil and to pay for other oil received on credit. There has been some alleviation due to the fact that the prairie governments assisted in the financing of purchases for a period, but nevertheless net profits of North Star Oil for 1932 were only $36,249 as compared with $70,147 in 1931, $325,655 in 1930, $419,217 in 1929 and $444,045 in 1928.

The company was incorporated under Dominion laws on June 25, 1919, and its capitalization consists of $1,000,000 7 per cent cumulative preferred of $5 par value and $1,000,000 of $5 par value common stock. It has paid the preferred dividend ever since the first payment on July 1, 1920, and is still paying it.

Current assets are only 1.13 times current liabilities and the position is not strong in view of the fact that accounts receivable amounted to $1,371,464 and auditors reported last year that they were not satisfied that the reserve was an adequate provision. No common dividends have been paid. The company operates throughout the prairie provinces and has a small refinery in Winnipeg.

Canada Malting Co.

Can you give me some information on Canada Malting stock? ... . Is the dividend likely to be maintained? Is the stock likely to appreciate in value when the general upturn comes? Will the death of its president make a difference?

Canada Malting Co. has a very strong working capital position, but its earnings for some years back have on the average just covered what was paid out in dividends. The malt it manufactures is principally for use by the distilling and brewing industry of Canada and about 90 per cent of its product is used in Canada.

The company cannot be wholly indifferent to the fact that distillers and brewers have not been doing as well during the depression as previously and that of late their sales, apparently, have been falling off. There has been quite a spurt recently for brewers on account of the United States changing front and allowing beer and wine to be manufactured and sold in the United States. A number of Canadian brewers state that they have received large orders and it is possible that this may work back to help Canada Malting Co. If the United States goes further and repeals the 18th amendment, that would stimulate the distillery industry and aid this company.

The president, Wilmot L. Matthews, has just died and though he had been connected with the present company since it was organized in 1905 to take over the businesses of H. Clarke and Company, of Toronto, and the Wilson Steele Malting Company of Dundas, Ont., this is not expected to have any influence on the actual operation or management of the company. The same experienced management that has operated for a number of years back continues and policies would in any event be extended or modified to meet changing conditions, if W. L. Matthews were alive.

High-Grade Bonds

Securities of the following type should be included in every investment account.

	Price	Yield
DOMINION OF CANADA 4% Bonds—due 15 October, 1952	93.55	4.50%
†PROVINCE OF ONTARIO 4½% Bonds—due 15 January, 1963	99.50	4.52%
CITY OF MONTREAL 5% Debentures—due 1 March, 1945	100.00	5.00%
CITY OF HAMILTON 5% Debentures—due 1 April, 1943	99.75	5.03%

†Principal and Interest payable in Canada, London, England or New York.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

SAVINGS DEPOSITS made by MAIL
Receive Special Attention
CENTRAL CANADA LOAN AND SAVINGS COMPANY
KING AND VICTORIA STS., TORONTO
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ESTABLISHED 1884

Established 1869
Strength • Stability •
Assurances in Force (Dec. 31, 1932) . .$517,967,974.00
Assets $132,198,392.72
Surplus Funds and Contingency Reserves, $11,853,105.72
A Purely Mutual Company
Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE - WATERLOO ONT.

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00
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THE letter written on Superfine Linen Record goes out on its mission of business like "a gesture of goodwill", creating in the mind of the recipient confidence in the house that sponsors it . . . faith and respect engendered by the universal regard for fine things, of which Superfine Linen Record is so truly representative.

Superfine Linen Record is Canada's aristocrat among bonds . . . a 100% new rag paper, impressively crisp, dignified and beautiful . . . a worthy medium for conveying your important business messages, and for documents that may affect the fortunes of posterity. Your printer will be proud to show you specimen sheets of Superfine Linen Record.

This watermark identifies Superfine Linen Record, Rolland Antique, Earnscliffe Linen Bond, Colonial Bond, Mount Royal Bond, Service Bond, and other fine papers.

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SUPERFINE LINEN RECORD

Bank Chat on Current Topics

Diminishing Returns

WE went into the bank to pay a gas bill recently, and thereby hangs a tale of diminishing returns. It is a simplified illustration of the working of an economic law.

Our gas bill has been about $2 a month. We formerly paid it by mailing a cheque. Cost, two cents for postage plus one addressed envelope.

Since we followed this plan, the Government has started to tax us three cents on the two dollar cheque. We don't like it. So this is what we do.

Our gas bill is still about $2 a month. We now pay it at the bank or to some other Canadian Pacific Express subagent. Charge, five cents, without an addressed envelope.

Stamp tax on the cheque is now three cents, postage still two cents. Total five cents. Add the trouble of addressing an envelope, the cost of the envelope and, above all, the nuisance of obtaining envelopes and stamps. There you have our reason for the change.

Instead of the Dominion getting three cents on the cheque and two cents postage, it gets nothing. We are sure Mr. Bennett will be annoyed to hear of it.

The bank now gets two cents, as a subagent of the Canadian Pacific Express Co. The C. P. Express Co., agent for the gas company, gets three cents.

* * *

WE HAVE to have money anyway. So when we obtain it from the bank we merely add such extras to the amount of our cheque and get it all for the usual three cent stamp. Here we see a direct loss to Government in placing the three cent tax on cheques below the $5 mark.

The bank gets a twofold benefit. It does not have the bother of handling as many small cheques, and it gains additional revenue from collecting gas bills. Simple, isn't it?

Sometimes we pay our gas bill at the corner drug store. The druggist is a subagent of the C. P. Express Co. The express company took over the collection of gas bills some years ago when the banks were not particularly interested in the business. The fee for collecting each bill is a flat five cents, of which two cents goes to the subagent. The branch bank is a subagent of the express company, just like the corner drug store. This gives the druggist a feeling of superiority, since he is on equal footing with the bank in at least this one respect.

Staff Changes

Recent staff appointments made by the **Provincial Bank** include the following:

L. DUBE, formerly manager at Outremont branch, Montreal, is transferred to head office and is succeeded by C. S. R. MACKAY, formerly manager at Verdun Ave. branch, Montreal.

L. POIRIER, manager of St. Polycarpe branch becomes manager at Verdun Ave. branch.

L. TESSIER, manager at Bellerive, Valleyfield, becomes manager at St. Polycarpe.

F. BORDUAS, formerly in the credit department of the bank, is appointed manager at Bellerive, Valleyfield.

The Canadian Bank of Commerce announces the following staff appointments:

A. F. McCONKEY, manager at Humboldt, Sask., has been appointed to the staff of relieving managers attached to head office, Tortno.

D H. SNEDDON, formerly manager at Eldersley, Sask., is appointed manager at Humboldt, Sask.

G. A. Beatty, manager at Willow Bunch, Sask., is appointed manager at Watrous, Sask.

R. H. MULLEN, manager at Brownlee, Sask., is named manager at Willow Bunch.

C. R. DEY, inspector at head office, has been appointed vice president of the Canadian Bank of Commerce, California, at San Francisco, Cal.

The Waseca branch was closed on May 15, business being transferred to Lashburn and Maidstone branches.

F. BORDUAS, formerly of the Credit Department of the Provincial Bank of Canada, has been appointed manager at Belle Rive, Valleyfield, Que.

I. TESSIIER, manager of Belle Rive, Valleyfield, Que., branch of the Provincial Bank of Canada, is transferred as manager to St. Polycarpe, Que.

L. POIRIER, manager of the St. Polycarpe branch of the Provincial Bank of Canada, is appointed manager of the Provincial Bank of Can Que.

C. H. R. MACKAY, formerly manager of the Provincial Bank of Canada branch at 4650 Verdun Ave., Verdun, is appointed manager at 1051 Laurier West, Outremont.

L. DUBE, formerly manager of the Provincial Bank of Canada branch at 1051 Laurier West, is transferred to Head Office.

Current Events in Banking World

BUSINESS HOLDS VARIOUS VIEWS ON INTEREST CUT

Little Criticism of Banks For Not Lowering Rate on Commercial Loans

DO MORE GOOD LATER

No Demand For Loans at Present Time; Lower Rate Will Not Stimulate Borrowing

Interest rates charged by the Canadian banks on commercial loans should be reduced say some manufacturers. Bankers as a whole feel that no set policy with regard to interest on commercial or personal loans can be established by the banks acting in concert; that each loan should be subject to individual consideration. Supporting the banks are a very few business men who feel that a reduction in the rate on commercial loans would not improve business at this time but that eventually a reduction will be made.

In the opinion of some manufacturers, interest rates should be reduced by the banks for the simple reason that all other costs of doing business have declined in the past few years and markets have dwindled away while only interest rates and taxes have remained at 1929 levels. When these manufacturers have approached their bankers they have received little or no assistance in the lowering of their interest charges.

Loans Not in Demand

Other manufacturers, more happily situated with regard to bank loans, see no point in banks reducing interest rates on commercial loans when there is practically no demand for commercial loans from borrowers with the best credit rating. The banks have more than ample funds to loan to industry providing such loans are well secured but the only demand for commercial loans at the present time is from companies hard hit by the depression that are seeking working capital until conditions improve. To this class of borrower, it is held, the banks are justified in taking an extremely cautious attitude since frozen loans are to be avoided in periods of stress.

Interest on Commercial

The rate of interest charged on commercial loans is approximately six per cent today and this average rate has been in effect for some years regardless of the demand for funds by industry. Reduction of this rate even to five per cent, it is said, would not stimulate business in any great degree, and without improvement in business the borrowers who can offer the highest type of security have little or no need for additional funds. When business does pick up and demand for commercial loans increases it is believed that a reduction in the interest rate would prove of assistance in quickening the return to more normal business conditions.

Banks do not Profit

Reduction in the rate paid by the banks on savings deposits may effect an estimated saving of $5,000,000 on an average balance of $1,400,000,000 of savings deposits. Off-setting this saving, the banks have reduced the rate of interest paid by governments and municipalities on current loans and also the rate on agricultural loans. The reduction was one half of one per cent and while the volume of such loans is not ascertainable from the monthly bank statement it is probable that the reduced income of the banks from these sources will largely offset the savings made on deposits.

An investment banker who is in touch with the finances of a number of industrial companies tells The Financial Post that in his belief a reduction in the interest rates on commercial loans is not justified at the present time even on call loans secured by good marketable collateral. He makes the interesting suggestion, however, that if the banks would restrict chequing facilities now offered they could make very substantial savings which would aid them in reducing interest rates charged on loans at a later date. At the present time practically no restrictions are enforced on cheques issued against savings accounts and in many cases the privilege is abused. Depositors who maintain but a very small balance are permitted to issue many cheques each of which increases the banks' costs of handling and which in many cases result in losses being taken by the bank. Banks in the United States make a service charge for chequing facilities which covers a definite number of cheques each month while there is an additional charge for each cheque over the specified number.

Activity in Bonds, Stocks Affects Savings Deposits

Savings deposits are understood to have shown some decline in recent weeks although not until early in July will the bank statement reflect the full effect on deposits of a lowered interest rate and increased activity in bond, stock and commodity markets. Some bank branches have had fairly substantial withdrawals of savings which have gone into bonds and stocks but the majority of branches have not experienced any amount of withdrawals from depositors wishing to secure a better interest rate than 2½ per cent.

Since May 1 the market for Canadian high grade bonds has shown considerable strength, the move being more pronounced than at any time since the latter part of last December. It is no secret that the Federal Government approved of the reduction in the interest rate on savings deposits in the hope that bond prices would be strengthened so that the forthcoming conversion loan could be issued on a favorable cost basis. That the reduction in the interest rate has caused the upward movement in the price of high-grade bonds is doubted in financial circles but regardless of cause the effect is generally welcomed.

With improved bond prices, municipalities can be expected to bring out bond issues at lower cost than has been possible for some time. The lowered rate on savings deposits may act as a stimulus to investors seeking a higher return on their money without sacrificing safety. Any reduction in savings deposits which may result from such a movement will be returned to the banks by the municipalities whose bonds have been purchased and will serve to reduce advances made by the banks to such borrowers on capital account.

While the banks have reduced the rate of interest charged municipalities on current account the rate has not been reduced on loans on capital account. As a result of the reduced rate of interest on municipal loans, Winnipeg will save $14,000 in interest charges on overdraft and current borrowings, the reduction representing one quarter of one per cent in the rate. Reductions of one half of one per cent were more general and Vancouver expects to save $8,000. Interest rate on capital advances which are secured by municipal debentures has not been reduced since the banks were unwilling to reduce their rate to a point under the cost of public financing.

Cheque Tax Reduces Petty Withdrawals

Effect of the recent tax impost of three cents, on cheques under $5 has been to reduce the number of small cheques drawn on savings accounts. As the new tax ruling becomes more widely known further reduction in the number of such cheques is anticipated by bankers.

Thoughtless depositors, unchecked by any service charge on savings account withdrawals, often put through cheques for small amounts, even under $1. Costs to the bank for handling such cheques may exceed three cents and in cases where the balance on deposit is small and chequing facilities are abused the bank has to take a loss on each cheque. The three cent tax will find increasing favor with bankers as it tends to reduce the number of small cheques to be handled by branches, head offices and clearing houses.

No Tax on Small Cheques Issued for Farm Products

Payments of $5 or under for milk or cream, eggs and poultry, and wool made to producers of these products will be exempt from the stamp tax when payment is made by cheques, money orders, or postal notes, according to regulations of the excise Division of the Papartment of National Revenue issued in a circular dated May 11. Payments made by municipal corporations to persons in receipt of unemployment relief are also exempt from the tax.

The instruments of payment should be marked by the issuer with a stamped endorsement indicating clearly the purpose for which they have been issued or purchased. Cream or milk tickets, which on their face indicate the purpose for which they were issued, for amounts not exceeding $5 are also exempt and require no endorsement.

Increased Succession Duties Proposed in British Columbia

Numerous changes in the British Columbia Succession Duties Act are proposed under a bill brought before the legislature, revisions in every case increasing the amount of duty payable.

On estates of $25,000 and over an additional tax is proposed increasing on a graduated scale from ½ of 1 per cent on amounts from $25,000 to $50,000 to 7 per cent in estates of over $1,000,000. The additional rate is smallest in the case of legacies to father, mother, husband, wife, child, grandchild, son-in-law or daughter-in-law, slightly higher on property passing to other relatives and highest on amounts passing to others.

The section of the act exempting insurance monies on the life of deceased passing to a named preferred beneficiary will be changed under the amendment to allow an exemption of only $25,000.

Weekly Bank Clearings

	May 11, 1933 $	Change year ago %	May 4, 1933 $
Saint John ..	1,511,321	—0.9	1,700,735
Moncton	587,010	—2.5	622,949
Sherbrooke ..	723,479	+1.7	635,410
Quebec	4,055,997	—1.4	4,682,064
Montreal ...	77,856,574	+10.7	99,977,684
Ottawa	4,213,008	—1.8	4,732,681
Kingston ...	471,316	—22.2	573,820
Peterboro' ..	515,912	—11.3	614,421
Toronto	95,241,862	+17.2	107,771,187
Hamilton ..	3,158,661	—8.7	3,783,302
Kitchener ...	722,825	—9.0	865,996
Brantford ..	816,241	+1.4	783,636
London	2,187,613	—4.4	3,007,774
Chatham ...	375,564	—20.3	426,835
Windsor	2,362,082	+3.2	2,378,403
Sarnia	340,502	—20.5	421,400
Sudbury	464,565	+3.7	524,498
Fort William	477,552	—14.0	608,236
Winnipeg ..	57,022,236	+88.3	85,153,142
Brandon	261,959	—8.2	314,520
Regina	3,152,796	—9.9	3,951,276
Moose Jaw ..	442,190	—10.2	555,231
Saskatoon ..	1,190,801	+18.1	985,221
Pr. Albert ..	230,683	—17.0	255,948
Edmonton ..	3,289,419	—8.7	3,537,056
Calgary	4,944,187	—3.1	5,256,710
Lethbridge ..	320,717	—0.8	334,844
N. W'minster	444,339	—5.1	460,429
Vancouver ..	13,013,828	—9.8	12,928,610
Victoria	1,391,057	—5.1	1,888,172

Foreign Exchange

CANADIAN dollars and sterling exchange fluctuated around what are termed "natural" levels by Professor Gilbert E. Jackson, of Toronto, during the week ended May 15. These natural levels are estimated by Mr. Jackson to be $3.90 for sterling in New York, 86 cents for the Canadian dollar in New York, and hence $4.58 for the pound sterling in Canada.

The present period appears to be one of readjustment of exchanges after the violent fluctuations of recent weeks. The course of commodity prices in various countries is considered a factor in these readjustments. For instance, the recent hesitation of the advance prices in the United States is considered a source of strength to the dollar.

* * *

COUNTRIES remaining on the gold standard are believed to have been "put on the spot" by abandonment of the standard in the United States. Some authorities believe that, inasmuch as prices do not appear to have risen far enough in the United States to compensate for the decline of the dollar, this has had a deflationary effect on prices in gold countries, such as France, Holland and Belgium.

This position may be altered in several ways. Dollar exchange may grow stronger, or countries now on the gold standard may abandon it in an attempt to manipulate an advance in their own general price levels. It is also possible that the rise of commodity prices in the United States may continue until the low exchange value of the dollar is justified.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
May 9 .	15	14	12 1-4	12
May 10 .	14 1-4	13 3-8	12 7-16	12 1-32
May 11 .	13 3-4	13 1-4	12 7-8	12 1-2
May 12 .	13 7-8	13 3-8	13 2-16	12 7-8
May 13 .	14 1-8	13 3-4	13 1-8	12 3-4
May 15 .	14 1-2	14 1-8	13 1-8	12 3-4

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
May 9 ...	3.93 7-8	0.457 15-16	0.615 3-4
May 10 ...	3.93 1-8	0.458 7-16	0.615 3-4
May 11 ...	3.95 7-8	0.462 11-16	0.617 1-4
May 12 ...	3.97 3-4	0.464 7-16	0.615 3-4
May 13 ...	3.96 7-8	0.462 7-8	0.609 3-4
May 15 ...	3.95 1-8	0.459 7-8	0.606 3-4

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.3918	$0.0526
May 9 ..	4.49 1-4	0.0524 3-4	0.0705 3-4
May 10 ..	4.48 1-4	0.0523 3-4	0.0701
May 11 ..	4.51 1-2	0.0526 3-4	0.0701
May 12 ..	4.52	0.0527	0.0697 3-4
May 13 ..	4.53	0.0527	0.0695 3-4
May 15 ..	4.52	0.0524 3-4	0.0693 3-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
May 9 ..	0.3156 1-2	0.1744	0.2802
May 10 ..	0.3133 1-2	0.1854	0.2770
May 11 ..	0.3143 1-2	0.1861	0.2753
May 12 ..	0.3147	0.1869	0.2744
May 13 ..	0.3140 1-2	0.1871	0.2765
May 15 ..	0.3084 1-2	0.1862	0.2771

Pool Debacle at Worst In Manitoba Situation

Province Stands to Lose Heavily, Chiefly Due to Generosity in Helping to Carry Other Provinces' Burdens

Some analysis of the position of the Saskatchewan wheat pool, particularly in relation to its public obligations was given in The Financial Post recently. As the Saskatchewan pool problem is the greatest in magnitude, and Alberta's the one in the most satisfactory shape, the Manitoba situation is the worst of the three.

The Manitoba pool itself has been thrown into bankruptcy, and the provincial government already knows that about 40 per cent of the amount of $3,374,939, for which it settled its pool guarantee with the banks, is irrecoverable. To recover $2,100,000, the Government has already limited its claims against the elevator system. There will be difficulty in recovering some of that. Total loss, unless some new plan is developed, may considerably exceed the $1,274,939 which is already admitted.

Nothing For Members

When the Manitoba pool ceased to function, it was, through a subsidiary, owner of 153 country elevators. Each of these in theory, was in process of being acquired by a local elevator association, which would be the eventual owner, as the elevator was paid for out of its own earnings. The money thus paid was to go back to the pool, which would then reimburse the pool members who had contributed, by deductions from their settlements, the money with which to build it. Pool bankruptcy settled definitely that pool members would not get back any part of the $2,945,264 which the last pool balance sheet showed to be due them on this account.

Also if the marketing of the 1930 crop through the central selling agency, under guarantees from the Dominion Government, results in a loss as is more than probable, the Government cannot collect Manitoba's share, but will have to bear it itself.

Dominion is Involved

Dominion Government is involved in guarantees of the working capital of Manitoba Pool Elevators, the company through which, under arrangements made by the provincial government, elevators of the pool system are now being operated for the account of the various local associations. As that company has not published any accounts it is difficult to form any opinion in respect to this liability

The amount was recently stated at Ottawa as approximately $1,300,000, and the guarantee was based on the prior possession of $300,000 working capital supplied by the Manitoba Government, which latter institution is now relying on the Dominion Government for financial assistance.

When the pool crash came, the Manitoba Government did not proceed to enforce any claim it might have had against the elevators of the pool system. Instead, it proceeded to strengthen the position of the individual pool elevator associations. First, it announced that any claim above the amounts owing on the local elevators would be abandoned. Then it entered into agreements, whereby each association was to continue purchasing individual elevators, money paid in on capital account to accrue to the Government. The local associations still owed about $2,400,000 on their elevators, and in the new agreements various amounts were written down by $300,000 to a total of $2,100,000. But Manitoba Pool Elevators, the company through which they were to be operated, was without working capital. The Government provided this to the extent of $300,000, but allowing that amount, when it came into the possession of that company, in the way of credits to the local associations, to remain with the company, instead of being paid over to the Government. The statement is made in the last report of Manitoba Pool Elevators that interest was paid on this amount to the Government. That company has not published a balance sheet, so the position of the Government is unknown, nor have the terms of the agreements with the Government been made public.

Claim Interest Paid

But the published directors' report of the Manitoba Pool Elevators, for the 1931-32 crop year, contains the following:

"Operating on the individual unit basis, there was actually paid on our liability to the Manitoba Government for the year under review the sum of $69,932. This was made up as follows: $26,588 on account of principal; $23,627 on account of interest, and $20,076 on account of special reserve. The sum of $21,936 stands to the credit of certain associations, and at their discretion, may be distributed in the shape of a patronage dividend or retained as a reserve."

It would evidently take $100,000 to pay interest at 5 per cent of the capital indebtedness. For the Government to get less than one quarter of that sum, while at the same time having to allow other amounts to apply on capital payments, to be put into special reserve, or paid out in patronage dividends, indicates that the system of operation as separate units, does not hold out satisfactory hopes of the eventual repayment of amounts due to the Government, or even of collection of interest.

Some steps, apparently incomplete, have been taken to remedy that obvious defect in organization. The annual report in question suggests the "advisability of changing over from the individual unit method to a system of line operation similar to that practised by the pool organizations in Saskatchewan and Alberta." From a later published report it appears that this has not been done, although nearly all the associations, with a few dissenting, have agreed that their earnings may be pooled, for the purpose of meeting operating and interest charges, for a period of five years. There are evidently obstacles in the way of welding the different units into a line company, but unless this is done it would appear that the position of the Government, with respect to a considerable portion of its claim, is precarious. Even under line operation of the elevators, with all pledged for repayment of the total debt, there would be a heavy burden on the system, averaging more than $13,000 per elevator.

Position is Unique

It seems puzzling at first why there should have been such a pool debacle in Manitoba while the pools in the other provinces are still able to keep going strongly, and why the Province of Manitoba, with a comparatively small interest in wheat should be involved in a heavy loss from operations undertaken to support the wheat market, with comparatively much greater interest, hope to escape scot-free. The fact that the elevator building operations of the Manitoba pool had been on a somewhat extravagant scale in comparison with the other provinces is only a partial explanation. Manitoba, in the joint enterprise of pool guarantees, was much less able to look after its own interests than were the other two provinces. Examination of what occurred seems to put the Province of Manitoba in the position of a minority stockholder squeezed out by the major interests, or to place the Manitoba pool in the heroic position of having laid down its life for its friends. It suggests that the Province of Manitoba should beware in the future of joint enterprises with her big sisters of the West.

Got Minor Share

The three western provinces jointly guaranteed the bank borrowings of the pool's central selling agency, and jointly contributed over $22,000,000 to make good a deficit under that guarantee. Now more than $7,000,000 of that deficit, or approximately one third, represented money paid by the central agency to the provincial pools. The Saskatchewan and Alberta pools got most of that amount, and would appear to have most of it still. The Governments of those two provinces are presumably satisfied, for otherwise the pool organizations might have had difficulty in carrying on, and earning money to repay the Governments. But the Manitoba pool got the minor share, and that was not enough to keep it going.

Most of this money represented payments made by the central selling agency for storage of grain in provincial pool elevators, something the central selling agency had never paid before its accounts were guaranteed by the provincial governments. The final report of the central selling agency on this phase of its operations contained the following:

"In considering the operating statements for the 1929 pools it must be remembered that country carrying charges, totalling almost four million dollars for wheat and coarse grains are included in the expenses. In prior seasons these costs were reflected in the accounts of the provin-

(Continued on page 15)

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Builders of Passenger Cars—Freight Cars—Street Cars—Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts—Steel Pressings—Forgings—Drop Forgings.

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Over 100 years of dependable service

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AS THE distribution of securities increases so does the risk.

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If your securities are widely held, it is the course of wisdom that they be safeguarded from counterfeiting.

Bonds and stock certificates made by this company are protected by QUALITY through the finest of craftsmanship—the most difficult thing to counterfeit; exclusive specially prepared safety paper, and the utmost care in fine printing.

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LONG DISTANCE
stages Dominion-Wide Conference for prominent Toronto Manufacturer in record Time

The Simplex Piston Ring Co. of America, Inc. with headquarters in Toronto, needed immediate contact with representatives in five key cities. How well Long Distance served them is best told by themselves:

"Yesterday afternoon at 2.45, we gave your Long Distance operator five calls to make for us; Halifax, Montreal, Winnipeg, Calgary and Vancouver. We carried on a conversation with these points in succession and had completed our round-table conference at 3.05 p.m. We think that this is the best service we ever received anywhere. Five Long Distance calls completed in twenty minutes is a record."

This type of service is typical of Long Distance. It is always quick, clear and dependable.

Low evening rates on station-to-station calls begin at 7 p.m. Still lower night rates at 8.30 p.m.

WARM, DRY PERIOD WEST'S CHIEF NEED

Completion of Seeding and Germination of Crop Delayed

Warmer weather is needed throughout the west both for the proper germination of the wheat crop and for the rehabilitation of pastures, according to the weekly crop report of the agricultural branch of the Canadian National Railways. Rain and cool weather have been general throughout the prairie provinces and, while the additional moisture will be beneficial later on, it has seriously retarded sowing.

Southern Manitoba expects to finish seeding by about May 21, between from 75 to 100 per cent of wheat being seeded and considerable oats and barley. Operations are a little later than usual but seeding was carried out under ideal conditions. Preparations to fight the grasshopper pest are under way and more effective control than last year is expected.

Light night frosts have been experienced in central Manitoba but they have not been severe enough to prevent morning work on the land. In northern Manitoba, the Dauphin and Swan River territories report cool, dry weather, from 70 to 95 per cent of wheat seeded and a start made on coarse grains. Warm weather with rainfall would be beneficial.

While heavy rains have delayed seeding operations in southern Saskatchewan, the precipitation has assured sufficient moisture for germination and reports state that the soil is in better condition than for some years past. Central Saskatchewan urgently needs warm weather. Northern Saskatchewan reports ample seed and feed and the season, though slightly late, well under way.

Rains have delayed seeding in southern Alberta but have put summer fallow and stubble land in excellent condition. Varying percentages of wheat have been seeded but work on coarse grains has not been started. Warm weather would benefit central Alberta and the Edmonton area which has been subjected to rains and cool and blustery weather. Work in the Peace River area has been delayed by rain but the weather is now fine and seeding should soon be general.

The need is felt for warm weather to hasten germination and growth and to ensure completion of seeding, according to the weekly crop report of the Canadian Pacific Railway. Prevailing conditions are favorable to coarse grain and feeds.

Seeding operations have proceeded with little interruption in Manitoba and parts of Saskatchewan, but elsewhere activities have been delayed. Progress thus far is estimated as follows: Manitoba 88 per cent; Saskatchewan, 45 per cent and Alberta 31 per cent.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 183

Notice is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Thursday, the first day of June next, to shareholders of record at the close of business on the 29th day of April, 1933.

By order of the Board.

M. W. WILSON,
General Manager.

Montreal, Que., April 21, 1933.

The Bank of Toronto

Dividend No. 207

Notice is hereby given that a Dividend of Two and One-half per cent. upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the first day of June next, to shareholders of record on May fifteenth, 1933.

By Order of the Board.

H. B. HENWOOD,
General Manager.

The Canadian Bank of Commerce

Dividend No. 185

Notice is hereby given that a dividend of Two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1933, and that the same will be payable (less five per cent Dominion of Canada tax in the case of non-residents of Canada) at the Bank and its Branches on and after Thursday, 1st June next, to shareholders of record at the close of business on the 30th April, 1933. The Transfer Books will not be closed.

By Order of the Board

S. H. LOGAN
General Manager

Toronto, 21st April, 1933.

INTERNATIONAL PROPRIETARIES

Limited

NOTICE

Notice is hereby given that a quarterly dividend of sixty-five cents (65c) per share has been declared on the issued and outstanding Class "A" shares of this Company, payable on the fifteenth day of June, 1933, to shareholders of record at the close of business on the twenty-fifth day of May, 1933.

By order of the Board.

J. H. SPENCE,
Secretary.

Toronto, May 15th, 1933.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND NO. 53 — BONUS NO. 16

NOTICE is hereby given that a quarterly dividend of fifty per cent, on the issued capital stock of the Company, will be paid on the fifteenth day of June, 1933, together with a bonus of fifty per cent, to shareholders of record at the close of business on the first day of June, 1933.

By order of the Board.

KIRKLAND SECURITIES, LIMITED
SECRETARY.

Dated at Kirkland Lake, Ontario, May 15th, 1933.

NOTICES

Village of Markdale

$59,710.54

5½% Debentures

Twenty-year serial plan.
Tenders received until June 1st.

J. LUCAS,
Village Clerk.

This Week in Wheat

From Our Grain Correspondent

Future for Exports

WINNIPEG—A period of comparative quiet developed this week in the Winnipeg wheat market, and it appeared that fresh developments were awaited before prices would show any marked trend. Export trade continues to be disappointing, both in volume of current shipments and in transactions concluded for future shipment. Although the movement of wheat down the lakes has not been heavy, grain has not been cleared from lower lake ports as fast as it has been forwarded. Hope has not been abandoned for some early increase in business from Canada, as the total stocks afloat are now small, and it would seem that any urgent demands developing would have to be filled from this country.

Both Australian and Argentine wheat are underselling Canadian wheat in Great Britain, the latter by a considerable margin even after duty is paid. The margin over Australian price is partly to be explained by the fact that the British market is well supplied with soft wheat, and Canadian hard wheat at the present time has a special value for mixing purposes, but a margin of six cents a bushel is creating some uneasiness as indicating that perhaps Canadian prices have been allowed to make too rapid a rise.

The one grade of wheat that is in special demand is No. 1 hard, and exporters are paying a considerable premium for stocks in store at the head of the lakes. Such premiums appear to be characteristic of narrow export markets, with buyers anxious to get the highest available quality, in order to keep the total of their purchases for mixing purposes small.

* * *

Lake Freight Rates

THE order of the Board of Grain Commissioners fixing a six cent rate from Fort William to Montreal has been rescinded, and the trade understands that the control of lake freights is likely to be transferred from the board to some other tribunal, if indeed, it is not abandoned, along with the projected change in the coastal shipping law aimed at the participation of United States vessels in the movement of Canadian grain by way of Buffalo. The board is not well equipped to deal with matters of lake transportation, and it is claimed that orders issued in that connection really emanated from the government at Ottawa, and were simply registered by the board. Some measure of regulation, or attempt at regulation, was considered necessary, or desirable if practicable, if lake competition was to be reduced, but if, as reports from Ottawa indicate, the proposed changes in the shipping law are not proceeded with, there is probably no occasion for regulation.

* * *

Canadian Barley

A NEW market, if a small one, for Canadian barley has appeared with the shipment of malt from the head of the lakes to breweries in the United States. It is thought that some fairly good shipments of the same kind can be continued during the summer, as barley, suitable for malting, is known to be scarce in the United States. Farmers, encouraged by the new beer legislation, are seeding more barley this year, and the deficiency may be corrected by harvest time. This outlet, consequently, cannot be considered a permanent one.

* * *

Market in France

A REAL opportunity for useful agreement with France on the importation of Canadian wheat is presented in connection with the negotiations for a new commercial treaty between Canada and that country. Although France has at the present a troublesome surplus of her own wheat, due to the extraordinarily high yield of last year's crop, it is altogether likely that succeeding years will again see the necessity of fairly large imports. French farmers have in the past been very hostile to the admission of soft wheat similar in quality to their own production, and that has been one reason for their objections to special arrangements with the Balkan countries, which the government for its political purposes has desired to make, but they have looked with favor on the importation of hard wheat. They have realized that the admixture of Canadian wheat with their own results in producing a higher quality flour, and is likely to lead to a greater demand for bread.

The most favored nation clause in commercial treaties has in the past been in the way of securing any preferential treatment for Canadian wheat. But if Canada could persuade France to make a special low duty applicable to hard wheat, wheat containing, say, a specified percentage of protein content, it should be acceptable both to the producers of France and the farmers of this country.

Since the expiry of the former Franco-Canadian commercial treaty Canadian wheat has been subject to the maximum rate of French duty, which would probably be exclusive if any wheat were being imported. No particular harm has been done, however, as France has not been importing wheat at all. It is important that at least the former condition of equal treatment with other countries should be restored before French imports are again resumed.

Sugar Beets Valuable

According to the latest figures concerning the sugar beet production in Southern Alberta, the 1932 output was 150,731 tons from 13,929 acres; the average price of $6.50 per ton of beets making a total of $934,532.20, or nearly a million dollars, paid to farmers. Including freight, labor and so forth, a total expenditure by the company of $1,500,000 is estimated.

Grain and Milling in Canada

MARKET FACTORS FORCE INCREASES U.S.A. WHEAT PRICE

Early Rise Primarily Financial—Maintained By Demand

United States wheat market, in spite of being so far out of line with Canadian and world markets is still an important influence on these latter. During the past two weeks it has fluctuated within comparatively narrow limits, in spite of a very large volume of trading, yet a considerable change in its basis, and apparently also in its participating personnel, has been taking place.

The rapid and sudden rise, which within a few weeks advanced Chicago prices by fifty per cent, was primarily financial in its origin. Prior to March 4 there had been in existence some belief that measures of currency inflation might be resorted to with the object of increasing the level of prices within the United States. That had appeared to a certain extent as a market factor, not because it was a probability, but because it was a possibility. After the closing of the banks on March 4, however, it began to appear to financial circles that the abandonment of the gold standard might come about either from necessity or from the temper of the administration.

Hedge on Wheat

There was no easier way to sell the dollar short against such an eventuality than to buy wheat, and much of the buying that first started prices on the upturn appears to have been of that nature, whether primarily speculative in origin or undertaken as a hedge against possible losses in other directions. When the anticipated rise in prices took place it would be only natural that profits or insurance should be realized, and this seems to have taken place to a large extent, as interests more usually concerned with wheat have taken the place of the temporary invaders of the market.

The gains made by the market on the prospect of gold abandonment or of inflation will have to be held or increased on other grounds. Since the country is not now exporting wheat, the relation between the United States dollar and other currencies is not of primary importance in the wheat market there, although the corresponding relation of the Canadian dollar is of the greatest importance in Canada. The willingness of producers to buy or to hold at prevailing prices, the capacity of consumers to pay prices demanded without reducing consumption, and the capacity of the market to carry the stocks held in store and hedged, are the forces of real importance that have been called into play, and the consequences of inflation can bear on these only as an alteration in the general price level bears on the ideas or capacities of different persons.

All Factors Favorable

For the moment all these forces appear to be acting in parallel lines toward sustaining the price level. Farmers in the United States are showing a somewhat surprising capacity to hold on to their wheat, and as a result the visible supply has been steadily declining in spite of the existence of large stores of wheat on farms. The capacity of purchasers appears to have been sustained as well at the higher as it was at the lower level, and mills throughout the country are surprised at the steady volume of orders they receive for flour, as both bakers and housewives develop an inclination to lay in stocks. The market appears to be developing strength from the fact that each day brings closer the time when the very poor harvest of winter wheat now in prospect is to be reaped.

It was a surprise when the U. S. government report of May 1 indicated practically no better crop than had the report of a month earlier, although extensive rains had taken place in the interval over most of the winter wheat area, and a feeling had got abroad that perhaps the probable damage from drought had been overestimated. To find that the government figure had been advanced by only 3,000,000 bushels was a bullish influence, the results of which appeared to be comparatively small, due apparently to the fact that wheat futures were in process of transfer from one set of holders to another.

Government Determined

The firmly expressed determination of the government to advance the price of farm commodities is developing as a strengthening influence in the market, in spite of the fact that the farm board machinery used in an earlier attempt in that direction has been wound up, and the farm board experiment discredited. No one knows which of the several avenues open to it under the farm relief bill will be followed by the government, and faith that the failure of the plan followed by the last government will be followed by success for a plan yet to be selected by the new government might be considered naive, except for the unknown possibilities of inflation, and a feeling that if other things fail, that will be resorted to.

Speculator Again Active As Wheat Prices Rise

Monthly Review Sees Little Change in Supply and Demand Factors to Justify Rising Prices

That approximately half the gain in wheat prices achieved in April was due to the presence of speculators rather than to any improvement in supply and demand factors, is the opinion expressed by Searle Grain Co. of Winnipeg in its monthly review of the wheat situation in Canada. Prices in Canada during the month rose 10⅛ cents, of which 1⅛ cents was attributed to the rise in the Liverpool sterling price; four cents due to the narrowing of the spread between the British sterling and the Canadian dollar. The remainder is accounted for by:

"Spectacular buying either by those who feel that the policies expected to be inaugurated in the United States will raise the price of all commodities, wheat with them, or on account of the fact that some, fearing a depreciation in the United States and perhaps the Canadian dollar are putting some of their money into commodities which they expect in the future may appreciate.

"There do not appear to be any factors in the actual supply and demand of the commodity wheat itself that would seem to warrant all or any part of the 5 cent raise that has been noted."

In its summary of the situation the review notes that world shipments of wheat and flour during April were 42 million bushels, compared with 59 million in March and 65 million for the same month a year ago. Canadian shipments were 13 million as compared with 15.8 million during March, and 15.9 million a year ago. Thus Canada shipped approximately 31 per cent of the world's exports for the month as compared with 27 per cent for March. Wheat stocks in the hands of the four chief exporters (Canada, U. S. A., Australia and the Argentine) both visible and calculated as available for supplies on April 26 were given (by Broomhall) as 729 million, as compared with 768 million on March 25 and 665 million as at the end of April a year ago.

Summarizing the bullish and bearish developments of April the report states:

Factors That Have Occurred Tending to Cause a Rise in Price (Bullish)—

Broomhall's world visible wheat April 1 approximately 39 million less than a year ago, and 42 million less than the previous month.

The peak of Australian and Argentine shipments considered to be over.

Expected there will be no further exports of German wheat until August.

U. S. official winter wheat crop estimated at 334 million only (as compared with 587 for 5 year average).

U. S. Farm Board announce they have sold out of cash wheat, May and July futures.

Broomhall estimate that final returns of wheat crops for 1932, Hungary and Roumania, are 12 million less than previously figured.

Exports during the month from Russia, the Balkans and the U. S. A. practically negligible.

Fears in France that continued dry weather will affect winter grains on light soils.

Australian visible decreases.

Rains reported needed in France and Hungary.

British embargo against Russian grains and commodities.

Wheat crop in the Punjab estimated may be 7% less than last year.

Reports of still further damage to the winter wheat crops in Kansas and Nebraska.

U.S.A. Government suspends shipments of American gold abroad to support U.S.A. dollar, which immediately depreciates 10 to 12 per cent in terms of foreign currencies.

President Roosevelt presents Farm and Monetary Bill to Congress, giving him wide powers to increase American currency and to set higher prices for farm commodities.

Meeting at Washington of premiers of Great Britain, France and Canada with president of the United States, expected to lead to modification of war debts and lowering of tariffs and stabilization of international currency exchanges.

Canada announces the "halting" of the redemption of Dominion notes in gold.

Index number of the price of 30 commodities in the U.S.A. (Dun & Bradstreet's Index) increased 14 per cent during the month.

British Wholesale Index numbers, however, up to April 22 had increased less than 1%.

Mr. Broomhall expresses opinion that world's "carry-over" will be less on Aug. 1 next and not more as anticipated by some authorities.

Factors That Have Occurred Tending to Cause a Drop in Price (Bearish)—

Rain in the Australian dry areas.

European weather generally seasonable.

Shipments from Australia and Argentina continue at a higher rate than anticipated.

Italian winter wheat acreage estimated to be as large as a year ago. Substantial supplies from last year's crop still on hand.

Estimate by Dominion Bureau that Canadian "carry-over" Aug. 1 next will be substantially higher than the same "carry-over" Aug. 1 last.

Reports that growing crop prospects in Germany and Italy are favorable.

Favorable seeding weather reported in the Argentine—larger acreage to be seeded in Chili.

International Institute at Rome estimates that the world "carry-over" as of August 1 next will be higher than similar "carry-over" Aug. 1 last.

Mr. Uhlmann, U. S. A., estimates that in spite of poor winter wheat crop, U.S.A. on July 1 next may still have a "carry-over" of approximately 230 million.

Announcement that the British Stabilization Fund, established to maintain the pound at a lower level than the dollar, has been increased.

Substantial decrease of world's shipments and foreign demand as compared with same period last year.

Uncertainty regarding levels of foreign exchanges hindering buying of wheat.

Wheat seeding in Russia proceeding at a much faster rate than last year and than anticipated.

Important European importing countries increase requirements of home-grown wheat to be used by millers.

AUSTRALIAN CROP MAY BE REDUCED FROM DROUGHT

Country Mainly Concerned With Orient Market, However

Drought in Australia is beginning to loom up as a possible market factor, although it is too early yet for it to be of any great importance. The Australian wheat crop, which is seeded about the same time as that of Western Canada, but is winter wheat instead of spring wheat, has a much longer growing season, and will not be ready for harvest until December. There is a long time ahead during which conditions may change for the better, and even if seed lies inert in the ground for a long period because it lacks sufficient moisture to germinate, it may still produce a good crop. Nevertheless it is remembered that Australia has in the past suffered very severely from drought, and bad conditions can reduce her crop to astonishingly small proportions. Continuation of dry weather would draw an increasing amount of attention to the situation.

The war did not stimulate wheat production in Australia as it did in other parts of the world, for the scarcity of shipping during the war made that country an undesirable source of supply, and high freight rates keep down the returns to farmers. Before the end of the war Australian wheat acreage had shrunk to less than it was at the beginning, and the great expansion of wheat acreage took place much later in Canada. In 1919 it was less than 6½ million acres, but an almost steady increase brought it up in 1930 to nearly three times that figure, or 18.16 million acres.

Australian wheat acreage is subject to fluctuations from a variety of causes. Lack of prosperity in the sheep business was responsible for the plowing up of a good deal of land formerly devoted to pasture but the last few years have seen some reversal of this trend and some reduction is expected to be shown from last year's figure of 15⅛ million acres. In recent years certain areas have been sown for pasturage, so it is difficult always to draw correct conclusions from acreage figures.

Australia's yield per acre is characteristically much lower than that of Canada, as a result of dryness of the climate, and only the economy with which large acreages have been cultivated with the use of machinery has enabled Australia to continue in competition on world wheat markets. Yields are more often below than above 12 bushels to the acre, and have frequently fallen below 10 bushels. Back in 1914 they were only 2.4 bushels to the acre, and records of earlier years show yields frequently below seven bushels to the acre.

Grain Acreage Down 1,500,000 May 1 Estimate

Judged by the intentions of farmers at May 1, the acreage to be sown to spring grains in Canada will be over 1.5 million acres less than in 1932, according to the estimate of the Dominion Bureau of Statistics. This decrease in acreage is almost entirely due to a reduction of 1,475,100 acres in the area intended for spring wheat, and is confined mainly to the Prairie Provinces.

Intended acreage for oats and mixed grains is slightly higher than last year, due chiefly to the decline in wheat sown due to the lateness of the season. Barley and spring rye are slightly lower and a reduction of over 15 per cent is estimated in the amount of flax to be sown.

The contemplated reduction in spring wheat to be sown is divided among the Prairie Provinces as follows: 214,000 in Manitoba, 777,000 in Saskatchewan and 484,000 in Alberta. Little change is indicated in other provinces. Field crop acreage contemplated in Canada in 1933 compared with 1932, is as follows:

Intended Field Crop Area in 1933

	1933 000 Acres	1932 000 Acres	% of 1932
Fall wheat	547	536	102
Spring wheat	25,171	26,646	94
All wheat	25,718	27,182	95
Oats	13,250	13,148	101
Barley	3,696	3,758	98
Rye	642	774	83
Flaxseed	384	454	85
Mixed grains	1,196	1,184	101

Winnipeg Grain Prices

Week to May 16

Crop year from Aug. 1, 1932 High	Low		Open May 10	High for week	Low for week	Close May 16
		Wheat				
.67⅞	.40½	May	.62½	.65¾	.61½	.64⅛
.67¾	.41¼	July	.64	.66½	.62½	.64½
.69⅞	.46⅝	October	.66	.68½	.63	.66⅝
		Oats				
.29⅝	.21¼	May	.28⅛	.29⅝	.28¼	.28¼
.30¼	.21½	July	.29¼	.30¼	.28⅝	.29⅝
.30⅞	.21⅞	October	.29¼	.30⅛	.28⅝	.29½
		Barley				
.38½	.26⅛	May	.34⅝	.37⅜	.34½	.36¼
.39⅝	.26	July	.36⅛	.39⅝	.35⅝	.37⅞
.41	.27⅛	October	.38¼	.41	.37½	.39½
		Flax				
1.08¾	.71¼	May	1.02¼	1.08⅛	.99½	1.06⅞
1.09⅝	.71⅝	July	1.03	1.09⅝	1.00⅝	1.07⅝
1.12	.76	October	1.05½	1.12	1.02⅝	1.09⅝
		Rye				
.48	.30¼	May	.....	.48	.42⅝	.45¼
.48⅝	.31	July	.43½	.48⅞	.42⅝	.46⅝
.50⅝	.34	October	.45⅝	.50⅝	.44⅞	.48⅝

ACREAGE CONTROL FINDS OPPOSITION FROM LIVERPOOL

Corn Association Discusses Wheat Preference at Annual Meet

Lack of faith in compulsory wheat acreage reduction schemes or export quotas, and strong objection to the fact that Canadian grain shippers cannot consign wheat via the United States and still obtain the British preference, are highlights of the 80th annual report of the Liverpool Corn Trade Association, Ltd., received by The Financial Post last week. Another objection raised by the Liverpool wheat traders concerns the difficulties which have arisen in regard to claims for Canadian wheat to qualify under the Imperial preference.

On this latter point, the association states that British authorities are accepting, so far as Canadian wheat is concerned, the federal government grading certificate as sufficient proof. There has been no final ruling in this regard but it is believed that this arrangement will be permanent. Their grievance lies, however, in the holding up of money, sometimes very large amounts, at the customs house pending the admission of grain to preference benefit, or the settlement of disputes as to import duties.

U. S. Wheat Shipments

The objection of the trade to the British ruling in regard to test shipments of Canadian wheat for the British preference follows:

"It is extremely difficult for business men, whether they are engaged in the production, marketing or milling of wheat, to understand the attitude of the authorities, for there was no doubt that, in both cases, the wheat was of Canadian growth and there was no suggestion that the shipments had been tampered with in transit. The producers in Western Canada have been assured that the matter is entirely one for the British Government and the receivers of this country have not been informed why preference has been refused, beyond the bare statement above mentioned, with the addition that a through bill of lading or consignment note was required. There is, the directors understand, no legal interpretation of the word 'consigned.'

"In spite of official assurances to the contrary, these shipments have, for all practical purposes, been entirely prevented since the Ottawa Agreements Act came into force, and in this unsatisfactory position matters remain at present—the Canadian producers and merchants, losing, as regards shipments eastbound to the United Kingdom, their most favorable winter exit and the consumers on this side being cut off from what was previously an ever ready and easily accessible route for supplies."

Deplore Acreage Control

Deploring restrictive legislation passed by different countries of the world with the object of assisting producers of primary commodities and raising wholesale prices, the directors of the Corn Association point to the fact that in spite of this maintenance of artificially high prices in certain continental countries of Europe, conditions in these countries are no better for the masses of people than conditions in the producing countries, such as Canada and America.

They expressed the opinion that "Operations of the Farm Relief Board in the United States; the propping of the wheat market by the government of Canada and other state activities and control from which so much had been expected in all countries (including Russia where state control has been carried to its logical conclusion), have been of no benefit whatsoever to the producers or to any other section of the communities. On the contrary they have merely aggravated and prolonged the world-wide depression."

"The directors do not support the view that, if schemes for compulsory reduction of acreage or regulation of export were put in force, world conditions must improve. The remedy so far as grain is concerned, is, the directors believe, the setting free of world markets and the restoration of international trade and commerce. In that alone is their hope of an increase in the present deplorable prices of wheat and other grain."

Dollar Returns For Wheat Crop Down In Alta.

Alberta is the only one of the three Prairie Provinces in which the dollar returns to farms for last season's wheat crop to the end of April is less than in the same period of the 1931-32 crop year, the amount delivered to country stations being greatly increased in every case, according to a compilation made by the W. Sanford Evans Statistical Service, Winnipeg. For the western provinces as a whole the dollar returns are just slightly less than in the previous year, the amount of $98,948,565 being within a million dollars of the 1931-32 figure.

Greatly increased deliveries is responsible for the maintenance of the dollar value, the average price this year being 30.2 cents compared with 43.1 cents in 1931-32. Of the total delivered 152.5 million bushels were in Alberta and returned $43 millions to farmers, 131.6 million bushels in Saskatchewan returned over $40 millions while 43.3 million bushels in Manitoba brought $15,372,000.

Expect More Tourists

The 1933 tourist season in New Brunswick should be much better than that of last year, in the opinion of D. Leo Dolan, director of the Bureau of Information and Tourist Travel, who notes that enquiries from Ontario and Quebec this year are about three times as numerous as last year.

PROFITABLE YEAR SHOWN IN REPORT OF EMP. LIABILITY

Loss of Quebec Compensation Business Important — Reserves Gain

Loss of workmen's compensation business in Quebec province accounts for almost the entire decline in premium income of Employers Liability Assurance Corp. in 1933 according to the company's annual statement issued recently. Net premium income for the company as a whole was $31,707,000 compared with $32,406,000 in 1931. Premium income in Canada amounted to $2,033,593 with a loss ratio on a written basis for all classes of business of 47.3 per cent.

The company as a whole reports a gross underwriting profit before taxes of $2,258,390—the largest in its history, and comparing with a $1,757,000 in 1931.

Surplus Covers Market Values

Assets of the company on a basis of $5 to the £1 sterling are shown at $49,751,000. Investments, including the company's house property (real estate) are shown at $40,734,000, stock exchange securities having been valued at "middle market prices on December 31 last." Ledger value of these securities at that date was $31,887,415 while market value on the same date was approximately $5,500,000 or 17.5 per cent lower at $26,315,000. It is pointed out however that to offset this the company has an investment reserve of $2,750,000 and a net surplus (exclusive of capital stock) of $13,158,000 which is sufficient to take care of this depreciation three times over.

Following conservative British practice the company carried no balance from its profit and loss account into surplus but after payment of dividends and taxes, the entire 1932 balance of profit and loss amounting to $1,167,565 was transferred to investment reserve account.

International Pete Output Under 1932 Level

Production of crude by International Petroleum Co. in the first four months of 1933 is reported at 3,036,113 bbls. in Peru and 4,353,176 bbls. in Colombia. Detailed summary of operations has not been given for the months of March and April but production in Peru was 773,274 bbls. in March, increased to 818,359 bbls. in April. Production in Colombia during March was 1,218,790 bbls. but showed a decline in April to 1,093,538 bbls.

Production in the first four months of 1932 was 2,389,674 bbls. in Peru and 6,260,567 bbls. in Colombia. Total production to the end of April in 1933 was 7,389,289 bbls. as compared with 8,650,241 bbls. produced in the same period of 1932.

Monthly production in the current year has been as follows:

Month	Peru bbls.	Colombia bbls.
Jan.	796,907	1,005,436
Feb.	647,573	1,035,417
March	773,274	1,218,790
April	818,359	1,093,533
Total	3,036,113	4,353,176
Same Period in—		
1932	2,389,674	6,260,567
1931	2,897,693	6,465,420

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Distillery Merger Soon Holding Company Favored

Walker Strongest in Liquid Assets and Inventories, Distillers Corp. Has Good Earning Power, and Can. Industrial Alcohol Has Nuisance Value

Negotiations for merger of Canada's three main distillery companies, Hiram Walker-Gooderham & Worts, Canadian Industrial Alcohol, and Distillers Corporation-Seagrams, are nearing a conclusion in the opinion of interests close to directors. The return of H. C. Hatch from England after a reported visit to Distillery Corp. principal interests in Edinburgh, Scotland, has kept the stock market seething recently. The actual negotiations have been on for more than a year. There is still much guess-work as to probable terms of merging, one reason being that so many possible plans have been considered. One thing agreed upon by all as almost certain is that the merger will take the form of a holding company with either one or two classes of securities which will be offered in exchange for the securities of the three companies.

The question as to whether preferred stock should be issued or not turns on the existence at the end of the last fiscal year of 514,345 no par value preference shares of Hiram Walker - Gooderham & Worts. This has probably been reduced in the interval by purchases on the open market but proposals have varied from buying these shares in at $20, the redemption price, continuing the policy of buying on the open market, giving a preferred stock of the holding company share for share and leaving it as it is to be gradually reduced by operations of Hiram Walker-Gooderham & Worts. One proposal is that the stock should be bought at $20 a share, and be paid for partly by cash and partly by new securities.

Chiefly Inventory Companies

Under present conditions these companies are chiefly inventory companies. Changes in marketing conditions have an immediate effect on the ideas of value which the directors of each company have. For example, the increased expectation that the United States may in 1933 or 1934 admit whiskies and other spirituous liquors to the same marketing facilites now enjoyed by beer and wine gives added weight to Hiram Walker's bargaining position. It has had the strongest financial and inventory position, but illegal marketing along the Atlantic Coast of the United States by bootleggers has afforded Montreal companies in recent years a decided advantage.

The following table shows the difficulties met with by the mergers in deciding what arrangement will be satisfactory to shareholders, giving full weight to financial strength, earnings record, inventories, marketing facilities, manufacturing plant and "nuisance power" of weaker units in being able to obstruct market improvement.

	Walker	Dist. Corp.	C. I. Alcohol
Inventories	$14,718,526	$10,000,000	$6,494,672
Cash and bonds	4,486,910	283,132	....
Stocks:			
Preferred, n. p. v.	*467,030	....	....
Earned	0.50	....	....
Dividend rate	1.00	....	....
Common, n. p. v.	660,000	1,500,006	1,092,915
Earned	nil	0.67	nil
Dividend	nil	nil	nil
Equity of common	29.70	13.24	7.18
Funded debt	......	†4,064,193	‡4,105,820
Bank loans	......	nil	2,672,518

†Special loans. ‡Debentures of subsidiary, Robert McNish.
*As of March 14. This would bring value of stocks and bonds down to about $4,000,000 as this was fund used in buying in shares.

ECONOMIC TRUST INCOME LOWER; BUYS IN BONDS

Market Value of Investments $1,171,754 Shows 62 p.c. Depreciation

Income from investments held by Economic Investment Trust Ltd. showed further decline in the year ended March 31, 1933; revenue amounting to $98,327 as compared with $134,643 in the preceding year. Operating and interest charges were slightly reduced and net profit was down to $36,538 from $69,803. Dividends were reduced on the common shares and surplus was increased by $6,593. A net loss of $12,345 was realized on investments and this was covered by transfer from investment reserve. In the preceding year a net loss of $22,159 was realized.

The income and surplus account of the company is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1933 $	1932 $
Income	98,327	134,643
Less: Gen. expenses	7,907	8,088
Directors' fees	2,500	2,500
Interest, exch., etc.	299	471
Bond interest	48,665	49,851
Fees	1,855	2,074
Res. for inc. tax	563	1,856
Net profit	36,538	69,803
Less appropriations: Dividends	29,945	64,878
Surplus for year	6,593	4,925
Add: Previous surplus	82,548	77,623
Bal. carried forward	89,141	82,548

Investments, at cost less investment reserve account, are carried at $3,112,459, while the market value of investments is $1,171,754, a depreciation of 62 per cent. Market value of securities at the end of the preceding year was $1,435,233, representing a depreciation of 46 per cent. The investment portfolio contains 279 securities; of the 223 preferred and common stocks, 198 are listed. While some securities held are not listed, a classification is given which shows little change from a year ago. Common stocks comprise 49 per cent of the investments, preferred shares 36.47 per cent, bonds and debentures 13.83 per cent and cash 0.7 per cent. Canadian securities comprise 58.59 per cent of the total, United States securities 34.5 per cent.

In addition to security holdings, the company has $25,363 in cash. Chief current liabilities are common dividend payable of $14,972 and accrued bond interest of $20,052. There are $962,500 of 5 per cent bonds outstanding, $27,500 having been retired during the year at a profit of $8,842, which was credited to general reserve. There are $39,925 common shares outstanding.

Noranda's Work Near Quemont Not Significant

The story that Noranda Mines has been negotiating for the Quemont property which adjoins it on the north lacks official confirmation. Mining Corp., which controls Quemont, says there is nothing more to the story than that the watchman has vacated his cottage owing to the danger imminent from Noranda's blasting near the Noranda-Quemont boundary.

About three years ago Noranda crosscut over to an ore body that was known to exist on the surface and put up a raise. Diamond drilling also has been done and there was considerable surface clearing with a steam shovel. Noranda now plans to mine the ore body by glory hole methods, dropping the ore through the raise to the 300 ft. level. This procedure does not coincide with the report that Noranda plans sinking a shaft at this site.

Committee Favors Dairy Tribunal

Report to parliament of committee which has been studying milk prices for two months, as indicated likely by The Financial Post some weeks ago, has suggested as chief remedial measure the establishment of tribunals in various urban districts with authority to fix prices charged to consumers and returns to producers. That is being tried out in the United States now, and has resulted in a number of price increases already to consumers but it has not cured overproduction as witness the battle in which farmers pour out milk of other farmers whom they consider as outsiders.

The committee also suggests further study as to possible extension of markets at home and abroad. It hits at over-capitalization, mergers, share-splitting and absorptions but gives no adequate solution to problems involved in duplication of milk delivery routes, increased costs of urban deliveries as population grows and health standards rise. Above all, the problem of controlling the surplus milk seeking markets has still to be solved.

SECURITIES ACT IS STRENGTHENED BY AMENDMENT

Door-to-Door Canvass is Not Permitted in Ontario

Amendment of the Ontario Securities Act has been effected by order-in-council which tightens the regulations covering sale or trading of securities. As exclusively reported in The Financial Post in April, the amendments prohibit door-to-door canvass sale of securities and particularly affect sale of mining securities. The changes are especially aimed at loose methods used by some security salesmen.

Mining syndicates with capital of $35,000 or under must inform the commissioner, Col. George Drew, of the formation of the syndicate but will not have to register, as formerly, except by specific request. In addition, regulations have been lightened to the extent that the Securities Department will not interfere with the financial set-up of a company and will not insist on pooling of vendors' stock. Stock can be offered at any price and there is no restriction on the amount of commission paid.

The above concessions are granted only because the amended regulations call for complete disclosure by salesmen of a company's position. No broker or salesman is allowed to complete a trade until a copy of the latest prospectus of the company is filed under the Companies Information Act while customers must be given a printed or written statement showing the nature of the transaction with details of the commission.

Prohibition of door-to-door canvassing for sale of securities does not apply to offices used for business purposes and salesmen are permitted to call on regular clients or friends at their home. The regulation does not apply to the sale of Canadian or British government bonds or to the debentures of municipalities.

Montreal, Toronto and Curb Markets

WEEK ENDING MAY 15

Range 1933 High	Low	Divd. Rate in $	Yield in % May 13	Stock
				D
1½	1½	..	...	David & Fre. B.
†12½	12½	..	...	De Havilland
x15	10	..	...	Do. pref.
†9	5	..	...	Disher Steel
†10	10	..	...	Do. pref.
7½	4	..	...	Distill-Seagram
5	5	..	...	Dodge (A)
x2	1½	..	...	Do. (B)
148	124	10	7.8	Dom. Bank
24½	12½	2	8.4	Dom. Bridge
x4	4	..	...	Dom. Coal pf.
20	8	..	...	Dom. Engineer.
85	35	5	5.9	Dom. Glass
105	98	7	6.7	Do. pref.
3	1	..	...	Dom. Motors
2	½	..	...	Dom. Pr.
1.50	.50	..	...	Dom. St. & Coal B
20½	12½	1.20	5.8	Dom. Stores
2	1	..	...	Dom. Tar & C.
17	5	..	...	Do. pref.
58	39	4	6.9	Dom. Textile
100	93½	7	7	Do. pref.
†12	10	..	...	Donnacona
3	¾	..	...	Dryden Paper
1	1	..	...	Duff. Paving
10	5	..	...	Do. pref.
				E
x30	3	..	...	East. Koot. Pr.
†97	94½	..	...	Do. pref.
7	1½	..	...	East Dairies
x9½	9½	..	...	East. Steel
x74	74	7	...	Do. pref.
†34	34	2	...	East. Theatres
†85	80	7	...	Do. pref.
x1	1	..	...	Easy Washer
8	7	75c	...	Economic Inv.
†15	15	..	...	Edmonton D'y
†80	78½	6.50	...	Do. pref.
¼	¼	..	...	Enam. & Heat.
8	5	..	...	Eng. Electric
3	1½	..	...	Do. (B)
				F
4	4	..	...	Fam. Players
8	8	..	...	Do. Vot. Tr.
11	8½	1	9.1	Fanny Farmer
28	23	2.40	8.7	Do. pref.
†88½	75	..	...	Firstbrook Boxes
10½	6	..	...	Ford Motors A
1½	1½	..	...	For. Pr. Secs.
6	5	..	...	Foundation Co.
.45	.25	..	...	Fraser Cos.
90	90	..	...	Fr.& For.Inv. pref.
†8	5	..	...	Frost Steel
40	40	..	...	Do. pref.
				G
3.00	.70	..	...	Gen. St. Wares
85	40	2.40	2.8	Goodyear Tire
100	80	7	7.2	Do. pref.
†93½	93½	..	...	Gould Pumps, pref.
5	5	..	...	Gt. W. Saddlery
10	4	..	...	Do. pref.
x106	100	7	...	Gurd, Chas.
4	1½	..	...	Do. pref.
		..	...	Gypsum, Lime.
				H
6¼	2¼	..	...	Ham. Bridge
x60	44½	..	...	Do. pref.
5½	4	..	...	Ham. Cot. pf.
2¼	2	..	...	Ham. U. Theat.
48	48	7	14.6	Do. pref.
†50	50	..	...	Hillcrest Coll.
†91	91	..	...	Do. pref.
4¼	2	..	...	Hinde & Dauch
†75	75	..	...	Holt Renfrew
†96½	90	..	...	Do. pref.
7	5	..	...	Honey Dew
3½	1½	..	...	Do. pref.
20	8	..	...	H. Smith Pap.
		..	...	Do. pref.
18½	14½	2	10.8	Humberstone S.

x Quotations for 1932. ‡ Quotations for 1931. § New York Quotations. Stock dividend. On account of arrears covering quarter ended June 30, 1932. Coupon payment due Jan. 1 last and deferred; paid Mar. 15, 1933. No sales recorded in 1933 to date.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

May 16, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.70	1.00
Acadia Sugar 6% pfd.	2.95	....
Acme Farmers Dairy 7% pfd.	51.00	....
Acme Glove pfd. bonus c.	8.00	11.00
Agnew Surpass 7% pfd.	60.50	65.00
Allens London 7% pfd. bonus c.	31.50	....
Allens St. Cath. 7% pfd. bonus c.	31.50	....
Allens Toronto 7% pfd. bonus c.	17.50	....
Andian Nat. Corp.	21.00	24.00
Atlantic Sugar "A" pfd.	70.50	81.00
B.C. Pulp & Paper pfd.	4.75	8.00
Burns pfd. bonus com.	2.50	4.50
Canada & Dom. Sugar	28.00	30.00
Canada Mach. c.	8.25	....
Canada Mach. pf.	19.00	....
Canada Pack. c.	23.00	27.00
Canada Pack. pfd.	91.00	....
Canada Starch 7% pfd.	61.00	68.00
Canada Tea 7% pfd.	....	49.00
Canada Wire & Cable 6½% pfd. W.W.	36.00	....
Can. Industries c. "A"	83.00	....
Can. Industries c. "B"	82.00	84.00
Can. Industries 7% pfd.	121.00	....
Can. Westing.	38.75	42.00
A. W. Chase pfd. bonus c.	10.00	14.00
Cons. Div. Standard Sec. pfd.	5.50	....
Dodge Mfg. "A" pfd.	6.25	....
Dom. Foundries & Steel 8% pfd.	....	55.00
Dom. Foundries & Steel c.	2.25	4.00
Dom. Mfrs. 7% pf.	67.00	....
Dunlop Tire 7% pfd.	36.00	42.00
Eastern Dairies Ltd. 7% pfd.	....	46.00
Edmonton Stockyards Units	37.50	52.00
Federal Grain 6½% pfd.	20.00	....
A. J. Freiman pfd.	45.00	....
Gen. Steel Wares pfd.	8.00	....
Goderich Elevator & Transit	5.00	6.25
Greening Wire 7% pfd.	....	53.00
Guelph Carpet 6½% pfd. bonus	61.00	70.00
Guelph Carpet c.	4.00	....
Inter. Proprietaries "A"	23.00	24.00
Langleys Ltd. 7% pfd.	20.00	23.00
Loew's London c.	.50	1.00
Loew's London 7% pfd.	3.50	5.00
Loew's Toronto c.	4.00	....
Loew's Toronto 7% pfd.	....	60.00
Massey Harris 5% pfd.	17.25	18.75
Medical Arts pfd. bonus c.	96.00	....
Mount Royal Hotel c.	.35	.65
Mount Royal Hotel 6% pfd.	3.00	4.25
Nat. Grocers c.	.90	1.25
Nat. Grocers 7% pfd.	46.00	....
Paramount Kitchener pfd.	29.00	....
Paramount Oshawa com.	1.75	....
Paramount Oshawa pfd.	27.00	....
Provincial Paper 7% pfd.	36.50	....
Reliance Grain 6½% pfd.	46.00	52.00
Rolland Paper 6% pfd. W.W.	25.00	....
Standard Clay Products c.	....	15.25
Standard Fuel 6½% pfd. bonus	56.25	60.00
Stop & Shop Ltd. c.	1.85	3.00
Supersilk pfd. bonus	25.00	30.00

Ind. Stock cont'd.	Bid	Asked
Supersilk Petroleum "B"	17.00	20.00
Toronto Elevators 7% pfd.	74.50	....
Toronto Housing	15.00	....
Un. Grain Grow.	11.50	....
Western Grain 6½% pfd. bonus	15.00	22.00
Western Grocers pfd.	55.50	60.00
Willards Choc. pf.	....	14.00
Insurance Stocks:		
Br. Amer. Assce.	32.00	40.00
Canada Life Ass.	370.00	385.00
Can. Fire Ins.	50.00	55.00
Confederation Life 20% pd.	115.00	125.00
Continental Life 20% pd.	39.00	44.00
Crown Life Ins.	90.00	110.00
Dom. Fire Ins.	83.00	....
Dom. Life 50% pd.	115.00	130.00
Dom. of Can. Gen. Ins.	80.00	100.00
Empire Life 25% pd.	9.00	10.50
Excelsior Life 30% pd.	68.00	....
Fidelity Ins. Co.	46.50	....
Great West Life Assce.	240.00	250.00
Guarantee Co. of N. A.	241.00	....
Imperial Life	260.00	270.00
Mfrs. Life Ins.	230.00	250.00
Monarch Life 10% pd.	15.00	18.00
National Life 25% pd.	....	65.00
Saskatchewan Life 10% pd.	10.00	13.00
Sovereign Life 25% pd.	14.50	18.00
Sun Life Assur.	367.00	375.00
Western Assur. c.	14.00	18.00
Western Life 20% pd.	8.00	11.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	148.00	160.00
Can. Gen. Invest. Ltd.	3.90	4.25
Chartered Trust	50.00	....
Deb. & Sec. 5% pfd.	11.00	....
Eastern Can. Sav. & Loan	108.00	115.00
Eastern Trust	130.00	140.00
Guelph & Ont. Inv. par $50	48.00	52.00
Investment Foundation Units	20.00	....
Lambton Loan & Savings	50.00	60.00
London & Western Trust	47.00	51.00
Mtge. Disc. pfd.	1.50	2.00
Premier Trust	75.00	83.00
Provincial Bank	87.50	93.00
Security Loan & Savings	99.25	....
Sherbrooke Trust	100.00	111.00
Sterling Trust	....	47.00
Traders Fin. c.	....	.50
Traders Finance 7% "A" pfd.	19.00	22.50
Trusts & Guar.	29.00	33.00
Victoria Trust & Savings	130.00	140.00
Waterloo Trust & Savings	93.00	103.50
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	88.50	91.00
Calgary Power 6% pfd.	65.50	....
Can. Light & Pwr. com.	20.00	23.50
Can. West. Nat. Gas LH&P c.	21.00	....
Can. West. Nat. Gas LH&P pfd.	69.50	....
Maritime Tel. & Tel. c.	7.00	7.75
Maritime Tel. & Tel. 7% pfd.	9.75	10.75
N.B. Tel. c.	6.10	7.50
Nor. Ont. Pwr. c.	9.50	....
Nova Scotia L&P 6% pfd.	68.00	75.00

Recent London Quotations:

Brewers & Distillers	5s.
Can. & For. Secs.	3s. 6d.
Can. West. Lumber	9d.
Hudson's Bay	18s. 9d.
Do., 5% pref.	72s. 6d.
Internat. Holdings	$1 1/16
Nfld. Pr. & Pap. deb. stock "B"	90½
Trust & Loan of Can.	6d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass pref.	7%	1¾%	July 3	June 15
Bank of Montreal	8%	2%	June 1	Apr. 29
Bank of Toronto	10%	2½%	June 1	May 15
Bk. Can. Nationale	10%	2½%	June 1	May 15
Belding Corticelli, pfd.	7%	1¾%	June 15	May 31
Borden Co., c.	$1.60	40c	June 1	May 15
Can. Cottons, pref.	6%	1½%	July 4	June 17
Canadian Oil pref.	8%	2%	July 1	June 20
Can. Bank of Commerce	8%	2%	June 1	Apr. 30
Can. Hydro-Elec., 1st pfd	6%	1½%	June 1	May 1
Cons. Diversified Std. Secs. 1st pfd.				
Canada Vinegars	...	25c	June 15	May 15
Dome Mines	$1.60	40c	June 1	May 15
Do., extra	$1	25c	July 20	June 30
Eastern Theatres c.	...	25c	July 20	June 30
Hollinger Gold	$2	50c	June 1	Apr 29
Do., extra	65c	5c	May 20	May 5
Imperial Oil (No. 37)	...	5c	May 20	May 5
Inter. Milling 1st pfd.	50c	12½c	June 1	May 15
Do., "A" pref.	7%	1¾%	June 1	May 20
Internat'l Proprietaries "A"	6%	1½%	June 1	May 20
Laura Secord	$2.60	65c.	June 15	May 25
Loblaw Groceterias A & B	$3	75c	June 1	May 15
McIntyre Porc. Mines	80c	20c	June 1	May 12
Do., extra	$1	25c	June 1	May 1
McColl-Frontenac, c.	...	25c	June 1	May 1
Montreal Loan & Mtge.	60c	15c	June 15	May 15
N.S. Light & Pr. pfd.	$3	75c.	June 15	May 31
National Biscuit, c.	6%	1½%	June 1	May 17
Do., pref	$2.80	70c	July 15	June 16
Nat. Sewer Pipe "A"	$7	$1.75	May 31	May 15
Ogilvie Flour pref.	$2.40	60c	June 15	May 31
Provincial Bank	$7	$1.75	June 1	May 22
Reliance Grain pref.	6%	1½%	June 1	May 15
Rolland Paper, pfd.	6½%	1⅝%	June 15	May 31
Royal Bank	$6	$1.50	June 1	May 15
Tuckett Tobacco, pref.	8%	2%	June 1	Apr. 29
	7%	1¾%	July 15	June 30

Dividends Passed or Deferred:
Great Lakes Power, pref. June 15 deferred. Last paid $1.75 March 15, 1933.

Dividend Rate Reduced:
Bank of Montreal, June 1, 10% to 8% per annum.
Can. Bank of Commerce, June 1, 10% to 8% per annum.
Royal Bank, June 1, 10% to 8% per annum.
Provincial Bank, June 1, 7% to 6%.

Extra Dividends:
McIntyre Porc. Mines June 1, 12½c + 12½c.
Hollinger Gold May 20, 5c.
Dome Mines, July 20, 25c.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

May 16, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	85.00	5.61
Alberta	5	1 July, 1943	1 July	93.00	5.90
Alberta	6	1 Mar., 1947	1 Sept.	100.00	6.00
*British Columbia	4½	1 Oct., 1953	1 Oct.	86.00	5.66
*British Columbia	5	15 Jan., 1948	15 July	94.00	5.60
British Columbia	6	15 Feb., 1947	15 Aug.	100.00	6.00
Manitoba	4	1 July, 1947	1 July	81.00	5.98
*Manitoba	5	2 Dec., 1959	2 June	93.00	5.50
Manitoba	6	1 Apr., 1947	1 Oct.	99.00	6.10
*New Brunswick	4	1 June, 1948	1 June	89.30	5.00
*New Brunswick	4½	15 June, 1936	15 June	100.00	4.75
New Brunswick	5½	1 May, 1950	1 Nov.	103.00	5.23
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	98.50	4.64
Nova Scotia	5	1 May, 1943	1 Nov.	101.00	4.87
*Ontario	4½	1 Sept., 1944	1 Sept.	101.00	4.39
Ontario	5	15 Oct., 1948	15 Oct.	103.25	4.70
Ontario	5½	1 Feb., 1947	1 Aug.	107.00	4.80
P. E. I.	4	1 Apr., 1939	1 Oct.	95.00	4.97
P. E. I.	6	1 May, 1947	1 Nov.	108.90	5.10
*Quebec	4½	1 May, 1961	1 Nov.	100.00	4.25
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	84.00	5.78
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.00	5.58
Saskatchewan	6	15 Mar., 1952	15 Sept.	99.00	6.09
*Newfoundland	5	31 Dec., 1952	30 June	72.00	7.78
*Newfoundland	5½	1 July, 1939	1 July	78.00	10.30
*Newfoundland	6½	30 June, 1936	30 June	87.00	11.75
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	102.50	4.84
*Toronto	4½	1 Jan., 1955	1 July	96.55	4.75
*Vancouver	5	15 Jan., 1970	15 July	84.00	6.09
Winnipeg	5	1 Mar., 1944	1 Sept.	89.00	6.40
*Edmonton	5½	1 Apr., 1947	1 Oct.	88.00	6.85
Calgary	5	1 Jan., 1943	1 July	82.00	7.60
Halifax	6	1 July, 1951	1 July	108.80	5.25
Saint John	5	15 Dec., 1950	15 June	96.35	5.25
Regina	4½	1 July, 1950	1 July	74.00	7.12
Victoria	5	21 July, 1945	21 July	89.25	6.25
Quebec	5	1 June, 1948	1 June	102.00	4.81

*Payable in New York.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

May 16, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	18.50	20.00
Acadia Sugar 6% 1946	86.00	....
Alta. Pac. Grain 6% 1946	81.00	....
American Sales Book 6% 1939	103.00	....
Arnold Bros. 6% 1947	36.00	....
B. A. Oil 5% 1945	91.00	94.00
Can. Biscuit 6½% 1946	16.00	....
Can. Bread 6% 1941	87.00	89.50
Can. Cement 5½% 1947	70.00	72.50
Can. Steamship 6% 1941	25.00	27.50
Can. Bakeries 6½% 1945	48.00	....
Can. Canners 6% 1950	80.00	83.00
Can. Copper Refin. 6% 1945	103.00	105.00
Can. Cottons 5% 1940	83.00	....
Can. Vickers 6% 1947	60.00	62.00
Cons. Invest. 4½% 1959	30.00	....
Cosmos Imp. Mills 6½% 1944	81.00	....
Davies, Wm. 6% 1942	89.00	....
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	60.00	62.50
Dom. Telegraph 5½% 1978 "A"	86.00	89.50
Dom. Textile 6% 1949	99.00	101.00
Dom. Woollens 6% 1948	14.00	....
Donnacona Paper 5½% 1948	13.00	16.00
Eaton Realty 5% 1949	80.00	82.00
Famous Players 6% 1948	61.00	63.50
Federal Grain 6% 1949	80.00	82.50
Firestone Tire 7% 1937	110.00	....
Fraser Cos. 6% 1932	8.00	10.00
Fraser Cos. 6% 1950	8.00	10.00
Galt Brass 7½% 1941	....	25.00
Goodyear Cotton 6% 1949	99.00	103.00
Great Lakes Paper 6% 1950	23.50	25.00
Gypsum, Lime & Alab. 5½% 1948	39.00	41.00
Harris Abattoir 6% 1947	89.00	91.00
Howard Smith 5½% 1953	61.00	64.00
Loew's Toronto 6% Serial	100.00	....
London Realty 6½% 1950	33.00	36.00
Maple Leaf Milling 5½% 1949	30.00	....
Massey-Harris 5% 1947	61.50	64.00
McColl-Frontenac 6% 1949	88.00	90.00
McKinnon Industries 6½% 1945	94.00	....
Mercury Mills 5½% 1953	30.00	....
Metropolitan Bldg. 7% 1944	78.00	82.00
Northern Ontario Bldg. 6½% 1939	60.00	63.00
Price Bros 6% 1943	27.00	....
Richmond Bay 6½% 1947	....	60.00
Simpsons Ltd. 5½% 1949	60.00	....
Simpsons Ltd. 6% 1949	65.00	68.00
Steel of Canada 6% 1940	103.00	105.50
Toronto Carpet 6% 1944	78.00	82.00
United Gas & Fuel 5½% 1948	53.00	56.50
United Grain Growers 5% 1948	79.00	83.00
United Grain Growers 5½% 1949	84.00	87.00
Wabasso Cotton 7% 1942	63.00	....
Western Grain 6% 1949	68.00	71.00
Public Utility Bonds:		
Bell Telephone 5% 1955	100.00	103.00
Bell Telephone 5% 1957	100.00	103.50
B. C. Power 5½% 1960	83.00	86.00
B. C. Telephone 5% 1960	86.00	89.00
Calgary Power 5% 1960	78.00	82.00
Can. Northern Pwr. 5% 1953	78.00	82.00
Duke Price Pwr. 6% 1966	71.00	74.50
French Nat'l. Mail S.S. 6% 1952	118.00	....
Gatineau Pwr. 6% 1941 "A"	67.50	70.00
Gatineau Pwr. 5% 1956	77.50	80.00
Maclaren Quebec 5½% 1961	76.00	78.00
Manitoba Power 5½% 1951	38.00	41.00
Montreal Isl. Pwr. 5½% 1957	92.00	95.00
Montreal LH&P 5% 1951	100.00	103.00
Montreal LH&P 5% 1970	99.00	102.00
Montreal Tram 5% 1941 July	97.00	100.00
Montreal Tram 5% 1955	72.00	75.00
Northwest. Utilities 7% 1938	91.00	....
Ottawa Valley Pwr. 5½% 1970	96.00	98.00
Quebec Power 5% 1968	88.00	91.00
Rio Tramways 5% 1935	95.00	98.50
Shawinigan W&P 4½% 1970	70.50	73.00
Shawinigan W & P 5% 1970	75.00	77.50
Shawinigan W&P 6% 1937	89.00	91.00
Southern Can. Pwr. 5% 1955	96.50	98.50
West Kootenay Pwr. 5% 1956	90.00	92.00
Government, Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	99.00	100.50
C. N. R. 4½% 1957 Dom. Gtd.	98.50	99.50
C. N. R. 5% 1969 Dom. Gtd.	104.00	105.00
C. P. R. 4½% 1944	78.00	80.00
C. P. R. 6% 1942	97.00	99.00
Dom. of Can. 5% 1936	102.00	103.00
Dom. of Can. 5% 1941	103.00	103.75
G. T. P. 3% 1962 Dom. Gtd.	80.00	81.00
G. T. P. 4% 1962 Dom. Gtd.	92.25	93.50
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	91.00	92.00
Ont. Hydro 4½% 1970 Ont. Gtd.	98.50	100.00
Ont. Hydro 4% 1957 Ont. Gtd.	90.50	92.00
Prov. of N. B. 5% 1957	98.50	100.00
Prov. of Ont. 5½% 1947	106.00	107.00
Prov. of Ont. 5% 1948	102.50	103.25
Prov. of Ont. 5½% 1946	106.00	107.00

Listed Bond Quotations

Week Ending May 15

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	18¼	18	...	18	13
Asbestos	5	1942	...	21	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	5½	...	...	*9	...
Can Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	8.11	...	84⅛	...	84⅛	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19½	19½
Can. Pr. (Laur.)	5½	1958	...	†5	...	...	*7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28¼	5¼
Can. S.S. Debs.	5	1943	...	68	...	...	*83¼	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	1.00	...	...	1.50	1.00
Mex. L. & Pr	5	1940	...	55	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	43	43	42¼	43	39½
Mont. Tr. 1st mtg.§	5	1941	5.70	95¼	...	...	98½	95¼
Mont Trams. "A"§	5	1955	7.83	...	70⅞	70½	77⅞	58
Do., G. & Ref. "B"§	5	1955	7.47	...	...	...	73¾	...
Do., "C"	4½	1955	9.03	...	...	...	57	57
Do., "D"	5	1955	7.14	†78	...	...	77⅞	76¼
N. S. Steel	5	1959	...	...	...	...	*62⅞	59
Ontario Steel	6	1943	...	...	...	...	80	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	103	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	...	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	109.00	...	...	116.25	114.25
Victory Loan	5½	1933	4.48	100.00	...	...	100.75	100.00
Do.	5½	1934	4.28	101.25	101.40	...	102.60	101.35
Do.	5½	1937	3.26	108.75	109.25	...	110.50	109.25
Do., refund	4½	1940	4.54	100.00	...	...	101.25	99.70
Do., refund	5	1943	4.58	103.00	...	...	103.37	101.85
Do., refund	4½	1944	4.50	99.75	...	...	99.75	98.75
Do., refund	4½	1946	4.55	99.75	...	...	*92.25	91.50
Do., renewal	4	1952	4.61	93.00	93.50	...	93.50	91.63
Conversion Loan	4½	1956	4.11	...	...	...	98.50	97.00
Do.	4½	1957	4.78	98.50	98.25	97.75	98.25	96.00
Do.	4½	1958	4.62	98.50	98.25	...	99.37	97.75
Do.	4½	1959	4.64	99.50	...	...	100.15	97.50
Nat. Service Loan	5	1936	4.15	102.00	...	...	103.25	101.50
Do.	5	1941	4.57	103.00	102.75	...	103.75	100.75
Dom. Loan	4	1935	4.00	99.50	...	...	99.75	99.75

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Winnipeg Stock Exchange

(Transactions for week to May 13)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close May 13
..	..	Beaver Lumber c.	100	2¼	2¼	2¼
..	..	Bluebird Mine	5000	.05	.05	.05
80c	7.3	Brit. Amer. Oil	5	11	11	11
..	..	Can. Vickers pfd.	10	6	6	6
..	..	Central Manitoba	500	10½	10½	10½
..	..	Foothills Oil	50	.25	.25	.25
..	..	Hudson Bay Mining	100	7	7	7
50c	4.6	Imperial Oil	45	11	11	11
35c	..	Macassa	100	.44	.44	.44
..	..	North Star Oil pfd.	25	2.50	2.50	2.50
..	..	San Antonio	150	1.14	1.13	1.14
..	..	Sherritt Gordon	1000	.68	.68	.68
1.25	10.8	United Grain	4	11½	11½	11½
..	..	Western Grocers	30	13	13	13
7	10.8	Do., pref.	38	65	61	65
..	..	Trader's Building	3	65	65	65

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumber pf.	..	65	Pelissiers, pref.	10	15
Beaver Fire	..	100	Northern Trust	..	21
Can. Fire Ins.	45	..	West. Breweries	1	..
City Dairy 7% pf.	..	35	Reliance Grain pfd.	48	..
City Dairy 8% pf	..	40	Can. Amer. Tr. shs.	..	3½
Great West Life	240	..	Fundamental Ser. A	..	4¼
Nor. Mtg. part pd.	..	5	Fundamental Ser. B	..	4¼
Pelissiers, com.	¼	1	Group Inc. shs.	..	4.40

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

Consumers Finance Issue Balance Sheet

From Our Own Correspondent

MONTREAL.—Financial statement of Consumers' Finance Ltd., of Ottawa, for the year ended March 31, 1933, showed assets totalling $64,555. Current assets, including contracts and investments, totalled $60,608. Fixed assets aggregate $1,000 while deferred charges total $2,947.

Current liabilities, including bank loans, total $3,229, while deferred liabilities (dealers' reserves) amount to $10,489. Deferred income is set down at $3,286. Contingent reserve totals $4,553, while capital and surplus are set at $42,996

Consumers' Finance are engaged in selling savings certificates. The company was formed last year and only recently has begun an intensive sales campaign.

Cotton Mill Reopened

For the first time in six years the York Cotton Company mill at Saint John is running on a full-time basis, employing about a hundred hands.

GYPSUM, LIME SCORES SETBACK FOR PAST YEAR

Bond Interest Unearned; Sinking Fund Passed; Bank Loans Up

From Our Own Correspondent

MONTREAL. — Insufficient income to cover bond interest; no provision for depreciation; increase in bank loans; default on sinking fund payments on first mortgage bonds; and a suggestion that the bondholders convene to consider a proposal to be submitted by the company, are features of the 1932 annual statement of Gypsum, Lime and Alabastine, Canada, Ltd.

Last year was one of the worst ever experienced by the company. Sales decreased 40.5 per cent as compared with 1931, while net profits declined from $551,006 to $96 453. After providing for interest and other prior charges, but only partial depreciation, there was a deficit of $295,569 as against a profit of $39,238 in the previous year when depreciation charges were nearly eight times what they were in 1931.

Wiped Out Surplus

Particulars of the income account for the past two years follow:

	1932 $	1931 $
Net prof.	96,453	551,606
Interest	258,389	247,581
Balance	161,936	304,025
Deprec.	*25,173	195,918
Balance	*187,109	108,112
Depletion	......	13,474
Balance	*187,109	94,638
Exch. prov.	68,769	50,900
Balance	*255,878	43,738
Inc. tax	......	4,500
Balance	*255,878	39,238
Losses by subs.	39,691	......
Balance	*295,569	39,238
Dividends	......	225,396
Balance	*295,569	*186,158
Prev. bal.	57,935	244,094
Balance	†237,633	57,936

* Debit.
† Deficit.

WORKING CAPITAL POSITION

	1932 $	1931 $
Curr. assets	1,023,484	1,451,339
Curr. liabs.	429,482	313,052
Work. cap.	594,002	1,138,287

Bank Loans Higher

The financial position of Gypsum, Lime at the end of last year was weaker than at the close of 1931. Bank loans advanced from $35,000 to $149,000. In addition there is a special bank loan of $83,268 which is discussed in detail in the president's remarks.

Mortgages payable on account of Crystalite Products have been reduced from $68,600 to $55,200. The company's own funded debt was lowered from $3,751,843 to $3,616,373, while a further reduction took place in Standard Lime Co.'s debt from $587,000 to $574,000.

Advances to Subsidiaries

Assets of the company are shown at $11,628,712 as against $11,962,117 a year ago. There is relatively little change in fixed assets. Investments in and advances to subsidiaries aggregate $130,935, made up as follows: Dominion Stucco Co., $31,996; Wellington Lime Co., $29,702; and Nova Scotia Coal and Gypsum Co., $69,236.

The principal change in current assets is a reduction in inventories from $769,872 to $567,956.

Colonel H. Cockshutt, president of Cockshutt Plow, has been elected at a recent meeting of the board of directors as chairman of the board. R. E. Haire remains as president, and J. F. Cameron, until recently the sales manager of the company, has been appointed acting general manager.

Sherwin Williams Paint Business Up to Last Year

From Our Own Correspondent

MONTREAL—Sherwin-Williams Co. of Canada report a seasonal improvement in the demand for its products in recent weeks. Compared with previous month's sales, current business records an appreciable improvement, while compared with sales for the corresponding period of 1932, this year's business is on a parity.

A better feeling exists in the paint trade as evidenced by the increasing number of enquiries. For some time past dealers have been carrying limited stocks and the resumption of spring activities has resulted in the placing of a number of orders. This policy of hand to mouth buying has had its effect on operations of all paint manufacturers. The limited dealers' supply, however, is probably more noticeable. Buying is still limited as to size of individual orders, but in the aggregate the volume of business received by Sherwin-Williams this year is up to last year's mark.

A further cause for more optimistic feeling in paint circles is the increase in industrial enquiries. The painting of bridges and other outside metal work, together with a better demand from the railways, has improved the position of the industrial paint department.

CANADA'S INCOME DOWN $3,827,329 FOR APRIL 1933

Imports Drop 9 Millions, Exports Down 7; Higher Taxes Ineffective

Despite increased taxation, the Dominion of Canada's income from taxes and duties was $3,827,329 lower in April, 1933, than in the same month of 1932. Exports of Canadian and foreign produce were over $7,000,000 lower than in April, 1932. Imports dropped more than exports during April, the decline being some $9,337,000. Thus a decrease was shown in Canada's net import balance of merchandise trade in April, 1933, compared with April 1932.

Income was reduced by decreases in receipts from all sources: income tax, customs duties, excise taxes and duties and sundry items. This is shown in the following table:

Dominion Government Receipts From Taxation and Duties in April

Net Rcd. From:	April 1933 $ 000's	April 1932 $ 000's	Decrease $ 000's
Customs Duties	3,451.6	5,674.2	2,222.6
Excise Taxes	2,431.7	2,798.4	366.7
Excise Duties	2,267.7	3,027.7	760.0
Sundry	53.1	70.1	17.0
Income Tax	4,808.3	5,269.2	460.9
	13,012.4	16,839.6	3,827.2

Canadian Cottons Trade Shows Increase This Year

From Our Own Correspondent

MONTREAL. — Business of Canadian Cottons Ltd. has picked up substantially within recent weeks, as many as 142 orders having been received in one day, according to a statement made by President A. O. Dawson at the annual meeting of shareholders.

With regard to the preferred dividend, Mr. Dawson said that the future policy would be dictated by the trend of business. Last year he pointed out the dividend was earned in the first six months, but business fell off in the last half of the year. Business so far this year is following last year's trend as far as the company is concerned.

R. G. Tolmie, general manager, was elected a director at the meeting. Other officers and directors were reelected without change.

Thrift Stores Declare Common Stock Dividend

MONTREAL. — Directors of Thrift Stores Ltd. have declared an initial dividend of 10 cents a share for the current quarter on the common stock of the company, payable July 1 next.

Both the preferred and common stocks were recently listed on the Montreal Curb Market.

Ford Companies Hitting Line Hard

Ford Co. of Canada, along with other Ford companies, is hitting the line hard. Its sales in Eastern Canada for four months of 1933 have increased substantially over the same period of 1932, being 1,640 compared with 1,477.

W. R. Campbell, finding business encouraging in various lines, announces a campaign of ten advertisements in a wide list of Canadian newspapers. This is after a silence of a year and means the intention of the company to go, it is said, "full speed ahead."

If exchange conditions get better and the international tariff truce now proposed eventuates in quicker trade, it will aid the company in its export markets. The company played possum to a certain extent in 1932 when everybody lost money, but it is moving now with the industry as a whole. It is striving to make 1933 different.

Crang & Co. Have New Quarters at 304 Bay St.

Outgrowing their old quarters, J. H. Crang & Co., members of the Standard Stock and Mining Exchange, have moved to 304 Bay Street, Toronto, where ground floor board room facilities are provided.

The company was formed in 1930 and since that time has expanded until today it has the most extensive brokerage wire service out of Toronto, serving 27 out-of-town correspondents and offices.

Simpsons Buys Forward, Says Prices Will Go Up

In large advertisements The Robert Simpson Co. advises the purchasing public that it is making large commitments in buying for the future as it is convinced that prices are going upward. It advises the public to do the same. This opinion is based on its inside knowledge as a purchaser in all the chief markets of the world.

If this opinion of executives is confirmed by events, it will be of great importance to Simpsons, to The T. Eaton Co., and to practically all inventory companies in Canada. They have had large losses in recent years on inventory which they have been obliged to maintain at an irreducible minimum. On an upward trend profits should replace losses.

To purchase London Life participating policies is to share in the Company's success

Here's a Typical Example

A POLICYHOLDER purchased a $3,000 Twenty Payment Life policy 19 years ago at age 37. He has had $3,000 life insurance protection throughout all these years and, in addition, now has considerably more cash to his credit than he has paid in premiums.

The total premiums ($115.80 for 19 years) $2200.20, have been reduced by annual dividends amounting to $703.59. The cash value of his policy is actually $174.39 more than the premiums paid by the policyholder.

Note: The cash value of the policy increased $120.00 this year. At the same time the premium was reduced to $61.08 by an annual dividend of $54.72. The increase in the value of the policy in this one year, therefore, was nearly double the premium paid, which shows what a splendid investment this policy has become.

The London Life is in an exceptional position to give gratifying results to its policyholders.

Established 1874

London Life Insurance Company

"Canada's Industrial-Ordinary Company"

HEAD OFFICE - LONDON, CANADA

Review of Commodity Markets Reveals Important Gains

Iron and Steel—Official April returns of American Iron and Steel Institute place steel ingot production in U. S. at 53,392 gross tons, the highest daily average (after seasonal adjustment) since February, 1932. Current ratio of operations in the industry is 35 per cent or a threefold increase from the low point of March.

Demand which originated originally among tinplate and automobile buyers has broadened into many lines including outdoor construction work, steel plates, agricultural steel and many miscellaneous lines. Tinplate makers are now operating at 60 per cent of capacity. Unfilled orders of U. S. steel at the month end were higher by 23,572 tons with total orders 1,894,600 tons. This is the first increase since October. Steel firms have also turned buyers and are placing orders for equipment, machinery, fire-brick and other materials.

Pig iron prices at $14.35 last week were higher than at any time since April, 1932. They gained another dollar this week. Steel scrap at from $12.50 to $13 is up $1.25 a ton since May 1 and $4 higher than February quotes. Iron Age sees prospects of a growing general upward revision on finished steel products for the third quarter.

Non-Ferrous Metals—Most important is the action of tin and copper. Tin prices at 36¾c. are the highest in three years. This is a 50 per cent gain since the middle of April and compares with a low for 1933 of 21⅝c. Copper prices at 7 cents are said to be due to improved consumption which in the U. S. is currently about 35,000 tons a month. Production meanwhile is under 20,000 tons. There are rumors of further curtailment and continued conference of leading world producers.

Lead prices advanced $3 a ton at the beginning of last week although demand is quiet. Producers it is said will be glad if they can hold present prices and prevent a reaction. Silver on the other hand is reported by N. Y. Journal of Commerce as "getting nowhere."

Rubber—Has shown a remarkable improvement in statistical position in April. Operations of plants in U. S. increased 45 per cent as compared with March and allowed the first substantial reduction in stocks of crude in that country for some time. Stocks dropped from 390,135 tons to 382,167 tons. Leading plants are now working 24 hours a day, 6 days a week, which promises an even larger reduction in stocks this month.

Crude rubber prices have jumped from a low for the year of 2 and 4/5 cents to 5 cents a pound. The 2 cent a pound gain in the past few weeks has added $17,000,000 to inventory valuations of U. S. plants. Spot rubber at 5 cents a pound has not been seen since December, 1931.

Wheat—Canada's best seller has soared 15c a bushel at Winnipeg since the middle of April touching a high of 68c for cash wheat (No. 1 Northern) last week. This is a gain of almost 30 per cent. Since the low point of 42 cents a bushel last January the increase has been over 60 per cent.

Most important news of the week was release of the U. S. May crop report which confirmed the out turn of the new winter wheat crop at only 3 million bushels more than the previous monthly figure. This indicates the smallest crop (337,000,000 bu.) since 1904. Due to good rains in the interim it had been expected that the May figure would have been substantially higher than the April estimate of 334,000,000 bu. Another factor in the advance was final passage of the U. S. government agricultural and inflation bill. In Canada a D. B. S. report revealed a decrease of 5% in intentions of prairie farmers to plant wheat in 1933. Other favorable factors were purchase of Argentine wheat by Soviet Russia; advices of poor prospects in Russia this season and lack of rain in Australia where new wheat crops are now being sown. Gains of previous weeks were maintained despite poor export demand for Canadian wheat which is attributed to currency instability.

Textiles—Rayon and cotton plants in U. S. reported to have stepped up production to 100 per cent of single shift capacity. Woollen plants have also increased schedules. World consumption of all kinds of cotton in March was reported as the highest since April, 1930, at 2,111,000 bales. February consumption was 2,002,000 bales.

Raw cotton prices have risen 50 per cent since the year's low of 5.9 cents on Feb. 1. Silk prices are higher by 30 to 35 per cent, with much of the increase attributed to speculation.

The weekly review of Dun & Bradstreet, Inc., says:

"One of the striking features of the textile trade for the month was the spread of price advances in all lines. This has not occurred in many months. Burlap advanced 1c. a yard, liners from 10 to 15 per cent, and blankets 5 to 10 per cent. All kinds of cotton goods ranged upward as much as 25 per cent, in some cases; unfinished silks went up 3c. a yard, and corduroys and dress velveteens 2½c a yard. Finishing charges advanced 15 to 20 per cent, on some lines. Cotton yarns were up 15 per cent, rayon yarns 5c. per pound, and silk from 30c. to 40c. per pound."

Hides—Prices are 111 per cent above the 1933 low at New York. Demand for finished leather continues to improve. Sole leather prices are up 1c and constructive gains are reported in shoe production. In Canada, latest monthly shoe production figures (March) show a gain of 28 per cent over February.

Chemicals — Buyers of chemical products are reported as showing a keen interest as a result of higher prices. Prices of fertilizer materials have reacted but gains continue for many important lines. Farmer purchases of fertilizer are expected on a larger scale due to improved buying power and prospects.

Petroleum—Situation thought improved due to move for federal dictator having gained ground.

Pulp and Paper—N. Y. Journal of Commerce reports:

"Demand for both chemical and mechanical pulp has been improving and prices have firmed decidedly. Shipments of newsprint from United States and Canadian mills exceeded production in April, and stocks at the mills at the end of the month were the smallest in three years. Sales of both fine and coarse papers have been increasing with prices generally steady to firm. Seasonal gains have developed in sales of summer specialties and tissues are moving in good volume. Demand for box board continues active with prices steady. Waste paper prices have been increased further.

COMMODITY PRICE GAINS HAVE NEW SIGNIFICANCE

(Continued from page 1)

low of 2 and 4/5 cents per lb. Prior to U. S. abandonment of gold they had climbed to 3¾c and last week the price held firm at 5 cents a pound for the first time since Dec., 1931. A gain of 2 cents a lb. in recent weeks means no less than $17,000,000 in higher inventory valuations to U. S. plants, and in addition better business from tire and other users caused a step-up in plant operations of 45 per cent in April. This in turn caused the first substantial reduction in stocks of crude in the country for some time. Leading plants are now working 24 hours a day, 6 days a week which promises an even larger reduction of stocks this month.

Three Basic Reasons

Three basic reasons can be cited for price changes which have taken place on this continent. First the actual change in the value of the U. S. dollar which since April 17 has cheapened in terms of gold, by about 15 per cent. Secondly, there have been speculative commodity price movements merely in anticipation of an inflation policy in the United States, since if U. S. dollars are to depreciate in value it becomes profitable to put money into commodities. Thirdly, there are price changes which have been brought about by an actual change in the demand and supply position of the individual commodity—such movements in many cases predicated on the improvement in sentiment resulting from inflation and currency developments.

As for the first reason, since United States formally abandoned her gold currency basis on April 19, the cheapening of "dollars" both Canadian and U. S. in terms of francs and sterling, has had a direct influence on the price of world commodities such as wheat. Sterling and francs have risen in terms of dollars and if no other influences were at work this would be expected to bring about a corresponding increase in the price of wheat as measured in dollars. This type of price movement in so far as it is direct, is most noticeable in commodities whose prices are fixed in world markets.

The second reason is the one largely responsible for the initial increase in price of commodities on this continent and is due to speculators and buyers anticipating an inflationary policy on the part of the U. S. government. Actually, the U. S. government has as yet introduced no direct money inflation in that country but there have been placed on the country's statute books new laws giving the president power to inflate by supplying money and credit more rapidly than business requires—if the need arises. These measures are four in number and have been already dealt with at some length in previous issues of The Financial Post. The hope is now expressed that President Roosevelt's constructive measures will be sufficient to cause a permanent improvement in business and obviate unsound currency inflation.

Supply and Demand Factors

Third reason for increasing commodity prices is that prices may advance because there is a genuinely increasing demand for them or because supply factors change. Judging by opinions expressed to The Financial Post in recent weeks by leading industrial and merchandising executives it is this reason that interests Canadians most keenly, for, apart from commodity buying in Canada by branch plants or firms acting on instructions from their American head offices, Canadian buyers are inclined to adopt a cautious waiting policy and are not over-anxious to make heavy commitments in commodities in spite of the substantial dollar gains that have been chalked up.

One important feature in regard to demand and supply factors is an analysis which The Financial Post has made recently of world stocks of leading commodities. This shows that the statistical position of all leading commodities for which world figures are available, has considerably improved in the last few months. This improvement is important not so much for the fact that world stocks have been substantially reduced but because in every case the peak seems to have been reached in the middle of 1932 and since that time positive though small reductions have been made in every case.

The index of eight leading world commodities as compiled by the U. S. Department of Commerce now stands at 263 (average for 1923-25 equals 100) as compared with an average for 1932 of 270 and a peak for that year of 285 recorded in May and June.

Actual indices for individual commodities with peak and average figures in each case, follow:

	Feb. or Latest	Aver. in 1932	Peak in 1932
Coffee	547*	487	547
Cotton	212	246	268
Rubber	326	336	349
Silk	220	218	249
Sugar	316	316	341
Tin	207	237	246
Wheat	220	218	250
All Comm.	263*	270	285

*January.

This trend in world supplies is important in view of the generally accepted fact that industrial and consumer stocks are at an exceptionally low ebb and that once any normal demand appears, these world supplies will tend to disappear rather soon. At least the fact that world stocks are no longer piling up is significant.

As in the case of rubber already mentioned, and particularly in the basic steel industry, fundamental improvement in the industry itself is taking place apart from the impetus given by inflation. In order to review important developments in leading lines, The Financial Post summarizes in an attached review, current facts in the important commodity groups.

Mining Stock Quotations

Week Ending May 15.

Par Val.	Range 1933 High	Low	Company	Sales	Close May 8 (or last)	High for week	Low for week	Close May 15
1	.05	.02	Abana	......	.03	.....	.....	.....
1	.01½	.00½	Aconda	1,500	.01	.01½	.01½	.01½
No	.03	.03	Aldermac	200	.....	.03	.03	.03
1	.03½	.01	Alexandria	79,000	.01¾	.02½	.02	.02½
No	.05½	.02½	Algoma	27,500	.02¾	.03	.02½	.03
1	.01	.00¾	Algonquin	2,500	.00¾	.00¾	.00¾	.00¾
1	.01½	.00½	Amity C.	8,500	.01	.01½	.01	.01½
No	.26½	.10	Amulet	62,093	.23	.26½	.21	.24
1	.01	.00½	Apex	.....	.00½	.....	.....	.....
1	.03½	.02	Area	57,800	.02	.03½	.01½	.03½
No	.04½	.01½	Arno	154,400	.02½	.02¾	.02½	.02¾
1	1.36	.74	Ashley	925	1.25	1.25	1.21	1.25
1	.14	.02½	Bagamac	42,100	.07½	.07½	.07	.07
1	.03	.00¾	Baldwin	1,000	.00¾	.00¾	.00¾	.00½
1	.20	.08	Barry Hollinger	37,800	.09½	.09½	.08½	.08¾
No	1.51	.75	Base Metals	8,850	1.37	1.51	1.35	1.45
No	1.00	.98	Beattie	.....	.98	.....	.....	.....
1	.28	.08	Big Missouri	123,250	.24	.28	.20½	.20½
1	.18	.08¾	Bobjo	45,600	.13	.13½	.12	.12
No	6.35	2.28	Bralorne	5,535	5.90	6.00	5.70	5.85
1	.25	.15	Brett Trethewey	19,450	.18½	.19	.18	.19
1	.03½	.01½	Brownlee	21,100	.03¼	.03½	.02½	.02½
1	.01	.00½	Buckingham	1,000	.00¾	.00¾	.00¾	.00¾
No	.04½	.01¾	Buffalo Can.	7,000	.02	.02	.01¾	.02
No	.03½	.01½	Bunker Hill	27,500	.03½	.03½	.02½	.03
5s	1.10	.60	B'Wana McKubwa	.....	1.10	.....	.....	.....
No	.04	.02½	Canam Metals	.....	.04	.....	.....	.....
1	.12½	.03	Can. Kirkland	35,500	.04½	.06	.04½	.05½
1	.01	.00¾	Capital Rouyn	500	.00¾	.00¾	.00¾	.00¾
1	.03½	.01	Cartier Malartic	7,500	.02½	.02	.01	.02
1	.48	.15	Castle Trethewey	33,195	.46	.47	.44	.44½
1	.15	.05	Cen. Manitoba	42,920	.10½	.14	.10½	.14
1	.28	.17	Cen. Patricia	21,525	.24	.25	.22	.23
No	.11	.03	Chibougamau Pros.	16,600	.08½	.09	.07½	.08
.	.10½	.03	Church. M. & Mill.	1,500	.06	.06	.05	.05
No	.02½	.00¾	Clericy	41,000	.01½	.01½	.01	.01½
.	.01½	.01	Clifton Cons.	40,000	.01	.01½	.01	.01½
5	3.90	1.65	Coast Copper	1,965	3.50	3.75	3.25	3.50
1	.05	.00½	Cobalt Contact	19,000	.03	.03	.02½	.02½
1	.11	.05	Columario	18,100	.09	.09½	.08¾	.08¾
5	1.05	.75	Coniagas	.....	1.05	.....	.....	.....
No	.45	.20	Coniaurum	13,150	.43	.43	.38	.38
25	102.00	54.00	Cons. Smelters	11,738	95.00	102.00	95.00	99.00
No	25.35	13.60	Dome Mines	66,540	22.75	25.35	22.75	23.50
No	.08	.03½	Dom. Explorers	18,000	.05	.05½	.04½	.05
1	.01	.00½	Dominion Kirk	.....	.00½	.....	.....	.....
1	.04	.01	Don Rouyn	500	.01	.01	.01	.01
1	.04½	.02	Duparquet	1,000	.02	.02	.02	.02
1	1.61	1.16	Eldorado	33,625	1.55	1.59	1.49	1.50
No	3.25	1.80	Falconbridge	17,190	2.95	3.25	2.95	3.17
1	.02¾	.01	Federal	1,000	.01½	.01½	.01½	.01½
No	.02½	.01½	Flintoba	.....	.02½	.....	.....	.....
No	.03	.01	Gilbec	5,600	.03	.03	.02½	.02½
1	.09	.04	Goldale	36,000	.06½	.09	.06½	.06½
10	.24	.10	Goldfield	84,100	.16	.24	.16	.20
.	.01½	.01	Gold Reef	.....	.01	.....	.....	.....
1	.04½	.02	Goodfish	14,250	.03	.04	.03	.03½
1	.03½	.01	Graham	16,500	.01½	.03	.01½	.03
1	1.95	1.19	Granada	27,705	1.60	1.60	1.47	1.49
1	.08	.06	Groselle	.....	.06	.....	.....	.....
1	.31	.24	Halcrow Swayze	14,400	.30	.31	.30	.30
1	.06	.02	Harker	36,700	.04½	.06	.04½	.05½
1	.01½	.00½	Hilltop	1,500	.00½	.00½	.00½	.00½
5	9.60	6.00	Hollinger	49,839	9.30	9.60	9.10	9.25
1	.95	.61	Howey Gold	48,000	.86	.86	.79	.79
No	8.85	3.10	Hudson Bay	8,586	7.10	8.85	7.00	8.20
No	.40	.25	Huronian	600	.34	.35	.30	.35
No	16.85	8.00	Int. Nickel	102,414	15.50	16.85	15.15	15.15
1	.02	.00½	Jackson Manion	6,000	.01½	.01	.00½	.00½
1	.45	.20	Keeley	5,670	.40	.45	.40	.45
1	.02	.00½	Keora Mines	.....	.00½	.....	.....	.....
1	.76	.48	Kirk. Hud. Bay	3,000	.55	.55	.50	.50
1	.02½	.00½	Kirk. Hunton	1,000	.00½	.00½	.00½	.00½
1	.52	.30	Kirkland Lake	19,150	.37	.38	.35	.35
1	.03	.01½	Kirkland Premier	5,000	.02	.02½	.02	.02½
1	.22½	.12	Kirk. Townsite	13,100	.19	.19	.17	.18
20c	.02½	.00½	Koot. Florence	47,600	.01½	.02½	.01½	.02
1	.35	.15	Lakeland	2,000	.15	.18	.15	.18
1	.18½	.08	Lake Maron	243,400	.16	.15	.10	.10½
1	40.00	30.75	Lake Shore	22,435	38.25	39.00	37.80	38.25
1	.08	.02½	Lebel Oro	39,600	.07½	.07½	.07	.07½
1	.52½	.20	Macassa	386,185	.45	.52½	.43	.49½
1	.20	.05	Malartic	81,700	.14	.20	.14	.18
1	.02½	.01	Malrobic	12,500	.01½	.01½	.01½	.01½
No	.10	.02½	Mandy	31,400	.06	.10	.07	.09
No	.03	.01	Manitoba Basin	115,000	.01½	.02	.01½	.02
5	29.75	21.20	McIntyre	10,134	29.00	29.40	28.00	28.35
1	.50	.30	McKinley	375	.41	.43	.43	.43
No	.08	.02½	McLeod River	223,300	.05½	.05½	.04	.04½
1	.22	.03	McMillan	13,000	.17	.22	.16	.22
No	.75	.46	McWatters	27,250	.62	.65	.62	.64½
1	.41	.15	McVittie	29,200	.38	.38½	.37	.38
5	1.00	.06	Mentor Exp. & Dev.	.....	.55	.....	.....	.....
No	1.80	1.20	Mining Corp.	32,185	1.61	1.75	1.60	1.61
1	.03½	.01½	Moffatt Hall	153,500	.02½	.03½	.02½	.03½
1	.06½	.02	Moneta	3,200	.05	.06	.04½	.04½
1	.00½	.00½	Montreal Rouyn	.....	.00½	.....	.....	.....
1	.40	.11½	Moss	63,600	.14½	.14½	.12½	.13
1	.02½	.00½	Murphy	11,000	.01½	.01½	.01½	.01½
No	.05	.02½	Newbec	24,800	.03½	.04½	.03½	.04
1	.06	.01½	Night-Hawk Penn.	16,000	.04½	.05	.03	.05
5	2.45	1.18	Nipissing	25,620	2.12	2.45	2.11	2.35
No	29.65	19.75	Noranda	71,544	27.25	29.65	26.85	28.25
No	.52	.32½	Nor. Canada	11,200	.38	.38	.38	.38
No	.27½	.19½	Normont-Gold	8,650	.26½	.27½	.26½	.27½
No	.02½	.00½	Old Colony	21,000	.01½	.01½	.01½	.01½
1	.14	.05	Osisko	500	.09½	.09	.09	.09
1	.27	.11	Parkhill	26,250	.26	.27	.26	.26
1	.03½	.01½	Pawnee Kirk.	5,000	.02½	.02	.01½	.01½
1	1.00	.50	Pend Oreille	4,200	.98	.98	.95	.95
1	.01½	.00½	Peterson Cobalt	3,000	.01½	.01½	.01	.01
1	10.40	4.30	Pioneer Gold B.C.	21,120	10.25	10.35	9.40	9.65
1	.01½	.00½	Porcupine Crown	.....	.01	.....	.....	.....
1	.01	.00½	Potter Doal	6,000	.00½	.00½	.00½	.00½
1	.82	.55	Premier Gold	20,760	.72	.72	.70	.72
1	.02½	.00½	Preston E. Dome	52,000	.00½	.02½	.00½	.02½
No	1.08	.68	Prospectors Air's.	4,600	1.05	1.08	1.00	1.05
No	*1.00	1.00	Quebec Pros.	.....	.....	.....	.....	.....
No	.15	.03	Quemont	6,900	.09	.14	.09½	.14
1	.02½	.00½	Ribago	37,500	.00½	.01½	.00½	.01½
1	.03	.01½	Ritchie	2,000	.01½	.01½	.01½	.01½
1	.04	.01	Robb Montbray	4,090	.02	.02½	.02	.02
1	1.21	.75	San Antonio	42,028	1.15	1.18	1.10	1.11
1	.08	.03	Seven Troughs	.....	.03	.....	.....	.....
1	.78	.33	Sherritt Gordon	115,810	.72	.78	.70	.77
1	1.77	1.25	Siscoe	177,140	1.62	1.65	1.50	1.54
1	.10½	.02½	South Keora	2,500	.02½	.03	.02½	.02½
No	.06	.01½	Stadacona	709,140	.02½	.03½	.02½	.03½
1	.14	.07	St. Anthony	3,700	.10½	.12	.09	.09
No	1.36	.60	Sudbury Basin	31,323	1.27	1.36	1.25	1.26
1	.06½	.00½	Sudbury Contact	18,500	.05	.05½	.05½	.05½
1	.01½	.00½	Sudbury Mines	.....	.00½	.....	.....	.....
No	.16½	.16½	Sudbury Nickel	.....	.16½	.....	.....	.....
1	.38½	.20	Sullivan	115,150	.32½	.38	.32	.37
1	1.21	.72	Sylvanite	41,275	.92	.92½	.88	.88
1	.03½	.01½	Tashota	.....	.01½	.....	.....	.....
.	.18½	.15½	Tashota Goldfield	.....	.18½	.....	.....	.....
1	5.10	3.70	Teck Hughes	59,061	4.90	5.00	4.75	4.75
1	.10	.03	Thom. Cadillac	26,000	.05½	.09	.05½	.09
1	.23	.10	Towagmac	5,480	.23	.23	.18	.20
1	2.00	1.00	Treadwell	1,600	1.35	1.62	1.30	1.60
1	.12	.04	United Kirkland	3,000	.10	.11	.11	.11
1	.06½	.01½	Vacuum Gas	9,000	.02½	.02	.01½	.02
No	2.40	2.30	Venezuela	.....	2.35	.....	.....	.....

Par Val.	Range 1933 High	Low	Company	Sales	Close May 8 (or last)	High for week	Low for week	Close May 15
No	1.28	.80	Ventures	83,757	1.10	1.14	1.08	1.11
1	.22	.03	Vickers	22,100	.03½	.06	.05	.05
1	.45	.20	Vipond	19,630	.43	.47	.41	.42
No	.77	.35	Waite Ackerman	4,600	.65	.77	.56	.73
1	.04½	.02½	White Lake	1,000	.03½	.04	.04	.04
1	.08	.02	Wiltsey Coughlan	33,700	.05	.08	.05	.07½
1	.12½	.07	Wood Kirkland	8,000	.12	.12½	.11	.12½
No	5.35	3.73	Wright-Hargreaves	43,074	5.25	5.30	5.05	5.15
			OIL STOCKS					
No	.12	.08	Acme Gas & Oil	10,800	.09½	.10	.09½	.09½
1	.82	.55	Ajax	6,600	.70	.68	.65	.67
1	.23½	.05	Alta. Pacific	21,204	.16	.23½	.17	.22½
1	.13	.05	Amalgamated	50,225	.12	.12½	.10	.10
No	.13	.04½	Associated	12,650	.11½	.13	.10	.13
No	.05	.01	Baltac	500	.05	.05	.05	.05
1	*.05	.02½	Brit. Dominion	.....	.....	.....	.....	.....
No	.70	.25	Calgary & Ed.	8,650	.56	.70	.60	.70
1	.13	.03	Calmont	11,150	.08	.13	.08	.12
1	.09½	.03½	Common. Pete.	1,950	.09	.09½	.09	.09½
No	.45	.05	Dalhousie	14,650	.37½	.45	.33	.40
No	.02	.02	Devenish	.....	.02	.....	.....	.....
No	*.02	.00½	Dome Oil	.....	.....	.....	.....	.....
No	.22	.05½	East Crest	16,900	.15½	.22	.14	.18
.	.36	.25	Erie Gas	500	.27	.27	.27	.27
No	.00½	.00½	Fabyan Pete	180,100	.00½	.00½	.00½	.00½
No	.30	.06	Foothills	2,000	.25	.30	.20	.30
No	.09½	.04	Freehold	21,100	.05½	.09½	.06½	.09½
1	*.02	.00½	Great West	.....	.....	.....	.....	.....
No	.04	.01½	Hargal	.....	.04	.....	.....	.....
No	*.05	.02	High Sarcee	.....	.....	.....	.....	.....
No	.95	.30	Home	42,393	.64	.95	.65	.90
No	*.05	.01½	Homestead	.....	.....	.....	.....	.....
1	.20	.10	Homestead O. & G.	4,700	.11	.13	.12	.12
1	*.01	.00½	Illinois Alberta	.....	.....	.....	.....	.....
No	*.02½	.00½	Lethbridge	.....	.....	.....	.....	.....
No	*.10	.04	Lowery	.....	.....	.....	.....	.....
No	*.02	.00½	Madison	.....	.....	.....	.....	.....
.	.06	.05½	Marjon	11,268	.....	.....	.....	.....
1	1.00	.14	Mayland	5,952	.65	1.00	.58	.88
No	.03½	.03½	McD. Segur Ex.	.....	.03½	.....	.....	.....
1	*.04	.01	McD. Segur N.	.....	.....	.....	.....	.....
1	.50	.25	McLeod	3,250	.38	.50	.35	.35
No	.13	.07½	Mercury	45,170	.10	.13	.09½	.11
No	.32	.11	Merland	32,000	.24	.32	.21	.32
No	.13	.09	Mill City Pete	3,700	.09	.13	.09	.12
1	.35	.12	Model	2,400	.20	.35	.22	.35
1	*.05	.04	Monalta	.....	.....	.....	.....	.....
1	*.07	.03	Moose Mountain	.....	.....	.....	.....	.....
1	*.01	.01	New Federal	.....	.....	.....	.....	.....
5	.20	.09	Nordon	28,000	.13	.13½	.11½	.13½
No	.04	.02½	Oil Selections	3,000	.03	.03½	.03½	.03½
No	.08	.04½	Okalta	15,300	.08	.11½	.08	.10
No	.50	.20	Olga Gas & Oil	40,900	.42	.46	.41	.44
No	.03½	.01	Penn. Pete	.....	.01½	.....	.....	.....
1	.17	.13	Petrol Oil & Gas	7,500	.15	.15	.15	.15
No	*.14	.08	Ranchmen's	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VANCOUVER STOCK EXCHANGE

(Transactions for Week to May 10)

Par Val.	Range 1933 High	Low	Company	Sales	Close May 8 (or last)	High for week	Low for week	Close May 15
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Quotations for 1932. ‡ No stock recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Stock. †Interim. ‡Initial. ‖Paid in 1932.

POOL DEBACLE AT WORST IN MANITOBA SITUATION

(Continued from page 12

cial pools. Due to the large terminal stocks carried during 1929 and 1930, the country stocks were particularly heavy, and the carrying costs very high, but of course the provincial elevator systems benefitted to the extent of a very large proportion of the amount in question. By special arrangement these charges were paid at the end of our last fiscal year, and a further sum of $1,229,344 was paid to the provincial pools in respect to their administrative expenses, which of course increased our loans, and the interest charges upon these two items, totalling approximately $5,200,000, at 6 per cent, is also reflected in our accounts."

In addition to the items mentioned, published accounts show that approximately $450,000 was paid in premiums on western shipments, practically all of which would go to the Alberta pool, and about $2,700,000 was paid to pool terminal elevators, which were mostly owned by the pools of Saskatchewan and Alberta.

Manitoba Over-Generous

Had the Province of Manitoba insisted on the pools of the other provinces backing the central selling agency to the extent of their ability, before the provincial guarantees were invoked, it would seem that any cost to the taxpayers of Manitoba might have been avoided. Manitoba did more than acquiesce in its guarantee covering such payments. The province actually assumed a greater part of the total deficit of the central selling agency than it was called on to pay by its original agreement, thus reducing the amounts payable by the other two provinces. It originally agreed to share the total deficit in proportion to the quantity of grain delivered by each pool, which would have left it liable for about 12½ per cent of the total deficit of the central selling agency for which settlement was made. It took up an extra burden due to the fact that proportionately greater losses were made on coarser grains than wheat, and the Manitoba pool had delivered proportionately more of these grains than the other provincial pools.

From all of this it would appear that the Manitoba wheat pool, now bankrupt, was as ineffective in protecting the interests of the province as a whole as it was in preserving its own existence, while the generosity shown by the Province of Manitoba, while failing to preserve the existence of its provincial pool, was useful to the pools and the Governments of the province to the west of it.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

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A PARTNER wanted. Any one having $25,000.00 to invest in hardware and plumbing trade, to join established firm of over forty-five years. For details, write to Box 124, The Financial Post.

GENTLEMAN having exclusive sales franchise throughout U. S. A. for leading British manufacturer established over 100 years, seeks capital for marketing comprehensive high quality line. Future developments will prove highly remunerative in connection with proposed manufacturing establishment. Strictest investigation invited. Principals only. Box 126, The Financial Post.

Position Wanted

POSITION wanted by experienced financial man—capable of taking full charge of office in capacity of secretary-treasurer. Immediate salary not main consideration provided future promising. Best of references as to ability and integrity. Box No. 122, The Financial Post.

Service for Investors

INDIVIDUAL investors may secure a special service on specific companies in which they are interested. Service includes detailed analyses and all newscards and revisions published on those companies during the year. Send in your list of companies. Rate—$12 a year for any 10 companies. Additional companies pro rata. Or write The Financial Post Corporation Service, 210 Dundas Street West, Toronto, for further particulars.

Clipping Services

ARE you posted on what publicity your products are receiving in the Canadian Press? Do you know how many dealers are advertising your wares and how much space they are using? Our CLIPPING SERVICE would keep you constantly informed of these matters. The fees are moderate. Write for the whole story. Canadian Press Clipping Service, 481 University Avenue, Toronto, Ont.

Stenotype Service

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to insure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

Business Space to Let

MOVING to new offices? If so, you want thoroughly modern, fireproof offices served by swift elevators and flooded with sunlight and clean air; central location, free from traffic congestion and plenty of parking space. Very likely you have definite ideas about the maximum rent you will pay. Come, then, and inspect the MacLean Publishing Company's office building at University Avenue and Dundas Street, where there are a few small suites of offices available having each and every advantage enumerated above, at rentals that will attract you. Apply to The MacLean Publishing Company, Limited, Toronto. Phone ADelaide 9131.

Miscellaneous

WILL anyone assist small hospital in temporarily impoverished prairie district, to survive this depression. One thousand dollars will cover another year's requirements. Particulars, references, Box 117, Financial Post, Toronto.

Canadian Mining News

DOME MINES SHAREHOLDERS HEAR BIG NEWS

Recent Developments Are Described as Making New Mine

RECORD EXTRACTION

Annual Meeting Proves Exceptional For Good Reports of Old Producers

"A new mine," is the way Jules S. Bache, president of Dome Mines, described the new developments at the property to shareholders at the annual meeting in Toronto last week. "For five years," he said, "I have been making reference to a possible new mine—now we have it."

The East Geduld investment of around $1,000,000 has been doubled in stock market valuations and at the mine ore reserves have increased to 3,900,000 tons averaging seven pennyweights per ton in gold.

Mr. Bache told The Financial Post that Dome's investments in bonds and in United States securities had increased about 15 per cent since the end of 1932.

De Pencier Enthuses

H. P. De Pencier, vice-president and general manager, was visibly enthused in relating to shareholders an account of the recent developments at the property. With an air that could almost be considered optimistic, he discussed important new development work as disclosed by a series of diamond drill holes from the 23rd level in an area about 4,000 ft. east of the main shaft. Here are 15 diamond drill holes of which eight are horizontal and seven are holes drilled at various angles below the level.

Of the horizontal holes one is a long exploratory one drilled from the 2,304 drift to the north. It shows some short sections of low-grade ore but appears to lie too far west to touch any important zones. Of the remaining seven horizontal holes, three show no sections of interest and appear to lie outside of the ore zone. The other four horizontal holes have all intersected low-grade ore, but as they drop below the level the development work done to date, has not disclosed this ore. They afford evidence, however, of the belief that the level is just above the ore.

Of the dipping holes drilled one is from the 2,304 drift to the north, but lies too far to the west and does not intersect any important ore zones.

From the east end of the 2,305 drift three dipping holes have been drilled to the north. These have all intersected ore zones, but are not at present regarded as important.

To the remaining three dipping holes, however, considerable interest is attached.

Over Mine Average

In order to give a better understanding of the values intersected, assay results of various sections of the core are given as follows:

	Grade
Hole No. 1481:	
From 2 ft. to 22 ft.	$ 6.59
From 46 ft. to 91 ft.	9.57
From 111 ft. to 144 ft.	2.67
From 159.5 ft. to 195.5 ft.	3.79
From 195.5 ft. to 286 ft.	25.92
From 280 ft. to 338 ft.	2.91
From 375 ft. to 402 ft.	6.79
Hole No. 1466, in 2305 Dr. s27-10w—44 deg.	
From 126 ft. to 137 ft.	$ 6.54
From 177 ft. to 189 ft.	8.46
From 207 ft. to 259 ft.	11.56
Hole No. 1492, in 2305 Dr. s53-30w—43-20 deg.:	
From 135 ft. to 240 ft.	$12.77

To explore further this new ground a winze has been started from the 23rd level and is now down about 100 feet. This winze entered fair ore at 50 feet below the level and has continued in it so far.

In a burst of enthusiasm, Mr. De Pencier referred to some of the free gold as being visible for a distance which he referred to as the width of the assembly room.

Recovery Records Made

Encouraging as was the new ore development in the new section being explored, it was even topped by the very significant recoveries being effected in the mill through the recent research work by C. W. Dowsett in charge of metallurgical practice. In April the gold extraction was the heretofore unprecedented figure of Canadian gold mines, of 98.48 per cent or a loss of but 13.82 cents per ton of ore milled. In the first week of May it had been reduced to a tailing loss of 11.89 cents per ton.

The extraction for the four months of the current year has averaged 97.81 per cent as against 95.08 per cent for the whole year of 1932.

NORTHERN CANADA MINING CORPORATION, LIMITED

Invests in Canadian Mines and Mining Properties

J. B. TYRRELL,

President and Managing Director,

Room 930, 25 King Street West,

TORONTO, CANADA

Industrial Activity Centres About Huntington

Though some distance from the metropolitan centres of the United States, Huntington, W. Va., is actually near the centre of industrial activity, and this, together with the advantages offered to manufacturers, gained for it the distinction of being the site of the $10,000,000 International Nickel outpost of Canadian industry.

Outposts Broaden Market For Nickel

The Selection of Huntington, W. Va., as Site of Rolling Mill Was the Result of Painstaking Investigation For Most Logical Location

With post-war conditions practically eliminating the lucrative armament business, which had been the mainstay of the nickel industry, it became obvious to the officials of the International Nickel Co. that if the nickel developments of the Sudbury Basin were not to revert to their primitive scale of operations, industrial and domestic uses must be found for the metal.

Production facilities during the World War had been built up, with no thought of fabrication and the principal production was refined nickel from the Port Colborne, Ontario, plant. True, the United States Steel Corp. was rolling some monel metal and nickel sheets, to serve the limited market for nickel, but this could hardly be considered an outpost of Canadian industry.

And if the nickel industry was to expand and the Sudbury deposits were to be exploited to the fullest extent, a new method of merchandising must be introduced. This called for the complete control and production of nickel in various shapes, sizes and forms, to serve the broadest market. This meant that there would have to be a plant to roll and fabricate nickel products. The United States was the largest user of nickel and the largest potential user. Therefore, to evade tariff barriers which might seriously restrict the outlook for Sudbury nickel, the foremost question was, where in the United States was the most logical site for a fabricating plant?

Site Carefully Studied

To the average Canadian, Huntington, W. Va., is a vague point on the map. But there was nothing haphazard in its selection as a site for a $10,000,000 outpost for Canadian nickel. The smelting and refining of nickel in Canada had demanded a highly technical organization, steeped in research, to guide its every move. When the decision was reached in 1921 to build a rolling mill and fabricating plant, the selection of the site became a matter of research.

The first move in the selection of a site for the new plant was the appointment of a committee, including engineers with technical and practical experience and with imagination, to draft a schedule of governing factors in the selection of a plant. The following comparative ratings were given to these economic factors:

	Points
Fuels	33
Labor	25
Power	10
Living conditions	10
Transportation	5
Water supply	1
Climate	5
Supplies	6
Taxes and laws	2
Plant site	1
Construction cost	2

Centre of Industrial Market

The site it was decided must be within a geographically circumscribed area, the centre of the industrial market of the United States. This narrowed the selection down to the Ohio River Valley and to a city which could most nearly approach this pre-determined schedule of economic factors. Armed with a set of specifications, officials then set about to find the ideal location for this important new outpost of Canadian industry. Many industrial centres were investigated and the contributing factors carefully charted. Finally, at Huntington, W. Va., on the historic Ohio River at the confluence of the Guyan River, International Nickel officials found the end of the road in their search for the most logical location.

Huntington is the largest city in West Virginia, with a population of 75,000 90 per cent of whom are native born whites, principally of Anglo-Saxon extraction. While the settlement of the Ohio Valley dates back to the pioneer days of the United States, Huntington is of comparative recent origin. It was founded in 1870 by Collis P. Huntington, founder of the C. & O. Railway. Here, near the junction point of the States of Kentucky, Ohio and West Virginia, has been built up a modern city, skirted by the foothills of the Greenbriar Mountains, which affords commanding residential sites.

The question of fuels, which had figured so highly in the economic factors, was answered by an abundant supply of natural gas, (the ideal heating medium for rolling mills) free from sulphur, averaging 1,100 b.t.u. per 1,000 cubic feet. It is easy to understand the high point of value placed on fuels in a plant rolling such a technically controlled product as nickel or nickel alloys, where impurities in gas might destroy the high finish demanded. Likewise, Huntington was in the heart of the high-grade bituminous coal fields, while a high-grade oil of low sulphur content was available from a local refinery.

The demand for labor, which carried such a high point value, was met by a large supply of skilled workers made up of 90 per cent native born English-speaking races for the main part descendants of early settlers who are experienced in the iron and steel industry that centres around Pittsburgh.

Low-cost electric power was available from the network of generating and transmitting systems controlled by the American Gas and Electric Co., serving the Ohio Valley and surrounding territory.

Under living conditions there is a happy balance between pleasant surroundings and one of the lowest commodity and living cost indexes in the United States.

Many Rail Connections

Transportation is afforded by thirteen railway connections within a radius of 75 miles, while the main line of the Chesapeake & Ohio Railway passes the International Nickel property. The Ohio River, navigable the year round, is a traffic outlet east and west, while the Guyan River, flowing through the company's property, provides barging facilities with the Ohio, two miles distant, and gives an abundant water supply for the heavy demands of a rolling mill plant.

The climate of Huntington is an agreeable and salubrious one throughout the year. In winter it becomes cold for a short period, not unlike southern Ontario, but never severely cold, while the summer days are warm they are not oppressively hot, for the nights are usually cool and refreshing.

Being in the prescribed circle of industrial activity, plant supplies are cheaply available.

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On a seventy-six acre site, (fifty acres of which is fenced) between the main line of the Chesapeake & Ohio Railway and the Guyan River, the International Nickel Co. built its $10,000,000 plant, during the period of economic depression in 1922. For cost of construction and selection of site the company has had no reason to regret its painstaking studies.

The plant will be described in subsequent articles. This is the second article in a series on International Nickel's outposts.

God's Lake Gold Mines has acquired the Don group of claims immediately to the west of the Reno group, where initial diamond drilling has been conducted. The results of drilling are said to be satisfactory, but assays are not yet available, due to the early break-up.

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VENTURES REPORT SHOWS BUSY YEAR IN MANY DISTRICTS

Increases Share Holdings in Many Promising Gold Properties

ISSUES MORE SHARES

Beattie, Island Lake and Sullivan Are Ventures Interests to Join Producers in 1933

The fourth annual report of Ventures Ltd., covering the year ended Dec. 31, 1932, reflects one of the most active years since incorporation in 1928, but shareholdings in sundry and foreign companies have been materially reduced to provide funds for exploration and development purposes. Liquid assets, exclusive of shares in other companies, are shown at $72,672 as compared with current liabilities of $648,344 making the excess of current liabilities over current assets stand at $575,673 as compared with $170,420 at the end of the previous year. Of the current liabilities $75,000 have been repaid since the end of the year through receipt of the dividends from Falconbridge amounting to $154,752. Notes payable totalling $271,609 relate largely to the purchase of the Beattie property and are reported to have been somewhat reduced since the end of the year. The balance due of $50,869 on a firm commitment to purchase Beattie shares has been taken up since the end of the year. Accounts payable totalling $203,312 are made up of long term advances by the directors of Ventures Ltd. to assist in financing developments. A contingent liability of $28,693 due on equipment purchased, and sundry current accounts totalling $33,137 have been paid since the end of the year.

Capitalization Increases

The outstanding capitalization of the company has increased 174,253 shares to 7,642,736 shares out of the 10,000,000 shares of no par value authorized. Options are outstanding on 150,000 treasury shares of no par value authorized. Options are outstanding on 150,000 treasury shares, but details of option agreements are not disclosed. There is also a contingent liability for the return of 209,000 shares of Ventures stock borrowed and pledged as collateral.

The following tabulation shows the comparative shareholdings of Ventures at the end of 1932 and 1931 in its principal associated companies:

Shareholdings

	1932	1931
Sherritt-Gordon	......	48,802
Falconbridge Nickel	1,547,520	1,547,720
Eldorado Gold	......	40,000
Coniaurum Mines	1,500,007	1,500,007
Sudbury Basin	815,760	804,060
Beattie Gold	1,736,813	1,504,143
Island Lake Mines*	658,048	......
Kenora Prospectors	100,540	50,500
Sullivan Mines	192,042	50,000
McWatters Gold Mines	48,250	......
Prospectors Airways	106,500	**
Can. Gold Operators	599,375	250,000
Opemiska Copper	1,380,867	1,380,867
Dom. Explorers	307,500	307,500
Pascalis Gold	382,818	229,688
Mines Development	12,500	......

*Has an option, partially paid, on 945,000 shares.

**Not stated.

Most important of its new acquisitions in 1932 were the Island Lake Mines, McWatters Gold Mines, Mines Development Corporation and increases in its holdings in Kenora Prospectors & Miners, Sullivan Consolidated Mines, Canadian Gold Operators and Pascalis Gold Mines. A list of declines in shareholdings of some companies' stocks includes its interest in Eldorado Gold Mines and Sherritt-Gordon Mines.

Ship Beattie Concentrate

In commenting on the Beattie property, Thayer Lindsley, president of Ventures, said the metallurgical treatment of the concentrates still remains a problem and pending determination of the best method of treatment it is planned to ship concentrates to the Tacoma smelter of the American Smelting & Refining Co. under a two-year contract, meanwhile progress is being made in the concentration of the ore by flotation.

At Island Lake Mines a 30-ton mill is hoped to be in production by this summer.

At the Kenora Prospectors & Miners property on Cedar Island in the Lake of the Woods area of Ontario, sampling of the No. 1 vein on the 150-ft. level gave an average of $29.85 in gold over an average width of 46 inches for a length of 180 ft. Owing to the showing made, the adjoining Mikado property was acquired and the company now holds an extensive acreage showing a multiplicity of veins that indicate good possibilities. Work is now directed in opening up the main Mikado vein at depth and drifting on the 500 ft. level.

Mill For Sullivan

At the Sullivan Consolidated Mines, adjoining the Siscoe Gold Mines, work has been under way since last August. Extensive drifting has been done on the "A" vein on two levels and work is now proceeding to open up a third level. The problem of deciphering the characteristics of the ore occurrences will take considerable time, it was reported, but if similar ore is encountered on the third level, it is planned to erect a small mill to bear the cost of developing the property. Sampling of the first level gave an average of $18.90 in gold for 311 ft. in 550 ft. developed. On the second level an average value of $10.40 was obtained from 275 ft. in 759 ft. developed.

At the Canadian Gold Operators' property in Cadillac township, Quebec, adjacent to the O'Brien mine, work was started early in 1932 and drifting done on the 125 ft. level. The ore occurrence is said to be an unusual type and the results are reported as puzzling. Adequate testing it is stated, would require at least $250,000 and it is deemed advisable to postpone further work for the present.

The company in association with others carried out extensive exploration programmes in several areas in Quebec, Ontario and Manitoba. At Island Lake and Gods Lake districts in Manitoba claims were staked. In addition to participating in a number of prospecting syndicates the company increased its holdings in the Prospectors Airways.

The annual meeting of the company is called for May 25 in Toronto.

To List Granada on N. Y. Curb

Application has been made for listing the shares of Granada Gold Mines on the New York Curb Exchange and the application is to come before the listing committee this week for consideration.

Hollinger Director

J. Y. MURDOCH, K.C.,

Who has been elected a director of Hollinger Consolidated Gold Mines, has for many years been closely connected with the company in a legal capacity. He is best known as president of Noranda Mines Ltd.

TIMMINS STRESSES EXCESSIVE TAXES HOLLINGER MEET

New Ore Developments Below 2,750 Ft. Level Regarded Important

Again directing attention to the ever increasing taxes on the gold mining industry, N. A. Timmins, president of Hollinger Consolidated Gold Mines, reiterated his feelings toward the growing cost of Dominion, provincial and municipal governments, at the 22nd annual meeting of the company held in Montreal last week. In 1932 Hollinger paid in the form of taxes and workmen's compensation 20.1 per cent of its operating profits which represented an increase of 500 per cent in the rate of 20 years ago, according to Mr. Timmins.

While paying tribute to the part played by the Canadian government in marketing the Canadian gold production to the greatest advantage of the Canadian producers he foresaw a grave menace to the mining industry in mines taxation.

New Developments Interesting

Shareholders were told of an interesting development below the 2,750 ft. to the 3,100 ft. horizon. In a porphyry zone to the west of the No. 11 shaft new developments and diamond drilling have put in sight over $1,000,000 of ore above the $8 per ton grade since the end of last year. This development is regarded as the more interesting because it is in a district heretofore regarded as not being conducive to ore deposition and while developments to date are of a preliminary nature it opens up interesting new territory in which officials see encouraging possibilities to great depth.

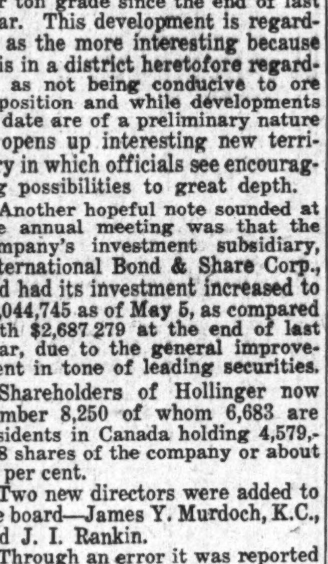
Another hopeful note sounded at the annual meeting was that the company's investment subsidiary, International Bond & Share Corp., had had its investment increased to $3,044,745 as of May 5, as compared with $2,687,279 at the end of last year, due to the general improvement in tone of leading securities.

Shareholders of Hollinger now number 8,250 of whom 6,683 are residents in Canada holding 4,579,548 shares of the company or about 93 per cent.

Two new directors were added to the board—James Y. Murdoch, K.C., and J. I. Rankin.

Through an error it was reported that the directors' fees were each $10,000 annually. This should have read $5,000 each.

Joins Hollinger



J. I. RANKIN

Who was elected a director of Hollinger Consolidated Gold Mines at the annual meeting in Montreal on May 11, has for many years been associated with the Timmins interests.

Tailings

The Fort McMurray tar sands will be exploited this year if plans of United States financiers, having holdings in the area, materialize.

A party including Robert M. Farr and F. W. Moore, of Port Huron, Michigan, together with C. S. Robinson, consulting engineer of Toronto, recently visited the deposit and made known their plans while in Edmonton. The sponsors are very hopeful that development would result and it is expected that other parties interested would be brought to visit the field this year.

NIPISSING REPORT SINGS SWAN SONG FOR COBALT MINE

Current Assets Strong With Large Stocks of Silver Unsold

The 28th annual report of Nipissing Mines reflects the suspension of operations at the company's silver property at Cobalt, Ontario, in April 1932, after making its mark as the premier silver producer in the Dominion. Final clean-up operations in 1932 resulted in the production of 177,000 oz. silver bringing the aggregate production since 1904 to $85,677,000. Interest in the company now chiefly centres about its holdings in the Beattie Gold Mines in Duparquet township, Quebec, which were brought into initial production this month.

Nipissing Mines Co. is a holding company deriving its entire income through the wholly owned operating company, Nipissing Mining Co., which has been a continuous dividend payer since 1905. Nipissing Mines, before suspending dividends to shareholders in 1931, disbursed $29,940,000 to its shareholders. Of the $10,000 received as dividends from the Nipissing Mining Co. in 1932, administration and general expense required $8,352 leaving a surplus for the year of $1,648 which was added to the previous surplus of $3,316.

Current Assets Large

Current assets, including those of the operating company, total $2,921,576, including approximately 2,750,000 oz. silver held at Cobalt and New York, pending higher prices. Current liabilities total $1,147,557 leaving a net working capital of $1,774,020 as compared with $1,523,341 at the end of the previous year.

Subsidiary interests of Nipissing Mines Co. include Jasport, Inc., a gas and oil prospecting and development company, which owns 51 per cent interest in an oil well in Michigan. Nipissing owns shares and an option on shares in Robb-Montbray Mines, which has been inactive since January, 1929, owing to developments being discouraging. The Robb-Montbray treasury, however, has $12,000 in cash and $90,000 in Dominion of Canada bonds.

Nipissing also made a loan to Ventures Ltd. of $250,714 secured by an investment of $560,438 in Ontario Refining Co.

In his report to shareholders, E. P. Earle, president of Nipissing Mines, called attention to the appreciation in the price of silver from 28 cents at the end of 1932 to 36 cents per ounce as at April 25, 1933, or an advance of approximately 50 per cent.

The annual meeting of the company is called for May 17 in Toronto.

Royal Society Gives Tyrrell Flavelle Medal

On May 18, at Kingston, Ont., the Royal Society of Canada will confer the Flavelle medal, its senior award, on J. B. Tyrrell, LL.D., president of the Kirkland Lake Gold Mining Co.

The award was established in 1925 by Sir Joseph Flavelle, to be awarded "for achievement." Its first recipient was Dr. Chas. Saunders, who developed Marquis wheat. Last year the medal was given to Prof. Plaskett in charge of the government astronomical station in British Columbia.

By awarding the medal this year to Dr. Tyrrell, the Royal Society departs from its previous policy, in that all the former recipients have either been connected with universities or with the government.

The Royal Society is holding its annual meeting this year in Kingston and the occasion of the presentation will be its annual general meeting. The society comprises some 250 leading men in science and literature in Canada, there being three science sections and two literary sections.

April Gold Production $3,681,801 in Ontario

The value of the gold bullion produced by Ontario gold mines in April, 1933, was $3,681,801 as compared with $4,059,248 in March. The mines in order of output were Lake Shore, Hollinger, Teck-Hughes, McIntyre, Dome, Wright-Hargreaves, Howey, Sylvanite, Coniaurum, Vipond, Toburn, Kirkland Lake Gold, Buffalo-Ankerite, Parkhill, Ashley, Minto, and Moss.

The following tabulation shows the production from the various camps for the first four months of 1933.

Monthly Output of Ontario Gold Mines — 1933

Source & Period	Tons Milled	Value $
Porcupine Camp:		
January	283,951	1,615,355
February	256,653	1,733,265
March	285,040	2,049,151
April	276,879	1,783,004
Kirkland Lake Camp:		
January	155,050	1,770,131
February	136,988	1,787,399
March	141,716	1,858,867
April	143,880	1,764,347
Northwestern Ont.:		
January	34,738	119,712
February	31,281	94,690
March	35,148	151,230
April	28,891	134,450
Total:		
January	473,739	3,505,198
February	424,922	3,615,354
March	461,904	4,059,248
April	449,650	3,681,801

Index to Mining Stocks

The weighted index number of 20 mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 86.6 for the week ending May 11, as compared with 82.1 for the previous week.

Eleven gold stocks rose from 77.9 to 82.1, four gold-copper stocks from 105.4 to 111.1, and five silver and miscellaneous stocks from 31.8 to 35.0.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

Copper and Nickel

	February Copper Pounds	February Nickel Pounds	Two Months Ending Feb. Copper Pounds	Two Months Ending Feb. Nickel Pounds
1933	17,165,922	1,990,102	40,116,449	3,771,001
1932	22,428,571	4,202,036	42,103,587	7,389,723
1931	22,777,057	6,693,185	44,436,819	13,194,129
1930	24,256,918	7,734,229	49,225,271	16,962,239
1929	18,519,540	8,396,837	38,371,532	18,102,292

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Listing Reno Shares On Standard Exchange

Reno Gold Mines, which resumed production early this year at its property about 13 miles south of Salmo, B.C., is to be listed on the Standard Stock & Mining Exchange this week.

The company was incorporated in 1920 and its shares have been traded for several years on the Vancouver Stock Exchange. Early in August, 1929, milling operations started, but a disastrous fire in February, 1932, interrupted production pending the acquisition of the old Nugget-Motherlode claims together with the mill which was rehabilitated and brought into production in January last. The Reno claims are connected with the mill by a 12,600 ft. aerial tramway. The present plant has a capacity of approximately 100 tons daily.

BEATTIE TUNING UP INITIAL UNIT

Concentrates Shipped to Tacoma Smelter—Grade $4.41

Annual report of Nipissing Mines gives a sidelight on development at the Beattie Gold Mines in which Nipissing has a substantial interest. The Beattie property is now in initial production, and is tuning up its 600-ton mill unit producing concentrates, which will be shipped to the Tacoma smelter of American Smelting & Refining Co. Pending the satisfactory working out of the metallurgical problems that will eliminate the present necessity of shipping the concentrates, a charge of approximately $1 per ton is added to the cost of the ore treated by shipping charges.

Two shafts have been completed at the Beattie and are now connected from the main operating level at the 500-foot horizon. Assays from the shaft in the ore body and from development work at the three levels are reported as about the same as in the 220-foot level crosscut where 107 ft. ore assayed $4.41 a ton. Definite and reliable averages, states the report, will not be obtainable until other crosscuts are driven.

Shaft Down 627 Feet

The main hoisting shaft is located outside the ore body and encountered ore of average grade at a depth of 600 ft. while sinking for a sump. At the final depth of 627 ft., ore exposed was over the full width of the shaft. Diamond drilling previously had indicated ore of irregular width and assays near the top of the faulted zone at a depth of 750 ft. vertically below the collar of the shaft, which is 400 ft. south of the shaft in the main ore body. The fault was encountered in the south shaft at 500 ft. and is expected to cut the main ore body at a depth of about 900 ft.

While the grade of ore is low, it is anticipated that costs also will be low and while the $1 per ton is added by the necessity of shipping the concentrates, it is hoped that as metallurgical progress is made this can later be eliminated.

The Beattie development has been principally financed by Nipissing Mines, either directly or through loans made to Ventures, which on December 31, 1932, held 1,736,813 shares. Nipissing's present shareholdings are not disclosed, but options will ultimately give it a 38 per cent interest in the company.

Quebec Gold Production Off In First Quarter of 1933

A severe decline in the gold production of Quebec is recorded in the report by the Quebec Bureau of Mines with the total production for the three months ended March 31, 1933, amounting to 89,067 oz. as compared with 101,456 oz. in the same period in 1932. Copper production is reported at 14,947,265 pounds as compared with 13,434,628 pounds reported by the Noranda Mines.

The following comparison gives production by months:

Mineral Production — 1933

	Jan.	Feb.	Mar.
Asbestos, tons	5,951	5,482	8,936
Gold, oz.	33,041	27,986	28,720
Silver, oz.	44,788	34,275	33,087

SUDBURY BASIN MINE REPORTS STOCKS UP

Falconbridge Dividend Clears Bank Loan—In Island Lake

In the fifth annual report of Sudbury Basin Mines, Joseph Errington, president of the company, emphasizes that the share holdings of the company have improved over the preceding year. Current assets total $3,481. In addition the company holds 1,188,042 shares of Falconbridge Nickel and 251,099 shares of Sherritt-Gordon, both of which are listed stocks. Current liabilities totalled $21,570, including a bank loan which was repaid when the company received an initial dividend of $118,804 from Falconbridge in January last.

The share holdings of Falconbridge show a decline from the previous year of 16,882 shares, reflecting the exchange of some of the company's Falconbridge shares for those of Sudbury Nickel & Copper Co. which now total 2,521,770 shares.

The advances to Malartic Gold Mines are carried at $65,909 but these are to be exchanged for shares in the new company to be formed on the basis of new shares at 20 cents each.

In addition to its share holdings in Lindsley enterprises, Sudbury Basin has a 20 per cent interest along with Ventures in the claims now under development in the Island Lake area of Manitoba, where a mill is being erected preparatory to production this summer. Sudbury Basin also has a share interest in the Sullivan Consolidated Mines, also under development by Ventures in the Siscoe area of Quebec.

None of the company's properties in the Sudbury area was under development last year. The annual meeting of the company is called for May 26, in Toronto.

ALBERTA PACIFIC OIL DRILLS IN MONTANA

Has Two Producers in New Venture—Plans More Drilling

The annual report of Alberta Pacific Consolidated Oils, one of the pioneer companies formed in 1914 to develop the Turner Valley area, shows that in the year ended Dec. 31, 1932, the company met with success in drilling the Cutbank field of Montana, two producing wells having been brought in.

One well is on the pump producing better than 50 barrels daily while the second well appeared to be about 75-barrel capacity before fire destroyed the derrick. Last summer the company acquired four placer mining leases on the Fraser River near Lillooet in British Columbia, where some preliminary work was done. Nothing was done at the company's Turner Valley property where revenues are curtailed by the low price of oil and the conservation programme in force.

Income last year totalled $54,293 while operating expenses totalled $44,364, leaving $9,929 to apply against depreciation. The previous year the company's income totalled $125,286, but included $94,498 from the sale of investments and equipment.

The outstanding capital remains the same as at the end of the previous fiscal year, that is, 2,354,252 shares of $1 par value each.

The only development planned is the drilling of two more wells in the Cutbank field of Montana.

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